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Sub-Saharan Africa Report

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19 February 1986

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ANGOLA

OPERATIONS IN 4TH MILITARY REGION REPORTED

MB241559 Luanda Domestic Service in Portuguese 1200 GMT 24 Jan 86

[Text] In the continuing merciless struggle against the UNITA armed bandits, the FAPLA forces stationed in the 4th military region are achieving major successes daily in all fields of combat. Here are more details from our regional correspondent in Huambo Province:

[Unidentified reporter] On 16 January, our forces stationed in the area of (Colina de Sangue) annihilated five bandits and recovered four infantry weapons, one hand grenade, four rifle magazines, a military knapsack containing a large sum of colonial escudos, and four cows which the puppets had stolen from the peasants. An armed bandit camp of 1,000 huts was destroyed in the same action.

On the same day and in the same area, but in another action 7 armed bandits were killed, 1 infantry weapon was captured, and 22 people living under the yoke of the bandits were freed.

Our forces freed 82 people from the clutches of the bandits in the area of Chinguar on 16 January.

In another development, our forces stationed in the area of (Ecunha) stopped yet another enemy infiltration attempt on 17 January. As a result of this action, one bandit was killed, one infantry weapon captured, and (?one) person was freed.

Meanwhile, on the same day FAPLA soldiers stationed in the area of (Machimbombo) killed six armed bandits and captured a large quantity of infantry (?ammunition). Also on the same day, in the area of (Locuma) our forces dislodged a group of bandits which was trying to install itself there and destroyed 101 huts which the bandits used as shelter. A total of three rifle magazines and 28 rounds of ammunition for infantry weapons were captured.

In the area of (Colina do Munhango) on 17, 18, and 19 January, the powerful blows our forces dealt to the murderous enemy resulted in the death of 78 armed bandits, including a senior officer with the rank of major and the name of (Otto Pinheiro) and two captains. Four bandits with their weapons were captured. A total of 31 infantry weapons, 1 RPG-7, 9 RPG-7 rockets, 7

cartridges with 2 [word indistinct], and 2 telescopic sights for the same type of weapon. This action also resulted in the capture of other war materiel including 4 hand grenades, [words indistinct], 8 rockets and 5 60-mm mortar rockets, [words indistinct] mines, 10 raincoats, 10 knapsacks, eight canteens, 6 pairs of [words indistinct], blackets, 1 boot containing an assortment of medicine, and an assortment of military documents.

Finally, in the area of (Guandavira) in the municipality of Huambo, our troops killed eight puppets and captured four infantry weapons. In the municipality of Cachungo, one armed bandit was killed and one infantry weapon, two rifle magazines, and one hand grenade were captured by our forces stationed there on 19 January.

It should be stressed that in the 4th military region [words indistinct] the puppet enemy finds itself totally unable to confront the victorious actions carried out by our forces, who are dealing heavy blows to the enemy on all combat fronts.

/12913

CSO: 3400/950

ANGOLA

ENERGY MINISTER MEETS SWEDISH COUNTERPART

MB291113 Luanda Domestic Service in Portuguese 0500 GMT 29 Jan 86

/Text/ In Luanda yesterday, Comrade Pedro de Castro van Dunem Loy, the minister of energy and petroleum, held a meeting with Birgitta Dahl, the Swedish minister of energy. The central theme of discussions was the Swedish participation in projects connected with energy in SADCC member countries, particularly in Angola. In the meeting, the two sides reiterated the determination of the governments of their respective countries to continue to condemn the policy of apartheid in South Africa and expressed the readiness to continue their solidarity with and support for the southern African liberation movements.

At another ceremony held at their country's embassy in Luanda, Birgitta Dahl said that about 40 percent of her country's total bilateral assistance go to southern African countries and the liberation movements of SWAPO of Namibia and the ANC of South Africa. The Swedish official also spoke of central problems connected with the alternative development strategy. This strategy, according to her, is a process which enables a just, responsible and efficient utilization of common resources with a view to creating conditions of good and humane life, and better exploitation of the cultural heritage of each society and modern technology. Birgitta Dahl also said that Angola played an important role in the coordination of SADCC actions in the energy sector. She said that as the only oil producing country in the group of nine countries which comprise the regional organization, Angola is of special importance to the whole region although the average oil consumption in the region is low.

The energy sector was viewed by the Swedish official as important in the bilateral cooperation between Angola and Sweden as demonstrated by the project of rural electrification in the area of Dembos and gas turbines.

Birgitta Dahl arrived in Luanda the day before yesterday for a 6-day visit during which she will hold official talks with Angolan leaders and visit the provinces of Cabinda and Cuanza Norte.

/12228
CSO: 3400/982

ANGOLA

BRIEFS

CHURCHES DENY ALLEGATIONS--The Evangelical and Catholic Churches in Angola have denied allegations made by the Methodist bishop of Luanda, Bishop (Emilio de Carvalho), that UNITA is attacking churches. The two churches said in a statement in Jamba that Bishop (de Carvalho) had made the allegations in his capacity as a member of the ruling MPLA party in Angola. The churches regretted the loss of life in the country and in the statement called on the MPLA and UNITA to negotiate. /Text/ /Johannesburg Domestic Service in English 1600 GMT 29 Jan 86 MB/ 12228

GREETINGS TO VIETNAMESE COMMUNIST PARTY--Esteemed Comrades: On behalf of the MPLA-Labor Party Central Committee, the Angolan people, and on my own behalf I have the honor to salute the heroic Vietnamese people and to express my warmest revolutionary greetings to the Central Committee of the Communist Party of Vietnam on the occasion of the 56th anniversary of its founding. On this important occasion, we identify ourselves with the happiness of the militants of your party and the Vietnamese people in their determination to build a new society, which has led to important changes that have made an invaluable contribution to the cause of peace, freedom, and social progress of the peoples. This important event is celebrated at a time when the international situation is very tense because of the actions of the reactionary and military forces of international imperialism which are threatening the independence of the progressive peoples and under mining the efforts being made to strengthen world peace and security. I wish to express my satisfaction with the good relations existing between our peoples, parties, and governments. I also wish you good health and wellbeing personally and prosperity and progress for the Vietnamese people. High and fraternal greetings, /Signed/ Jose Eduardo dos Santos, chairman of the MPLA-Labor Party and president of the People's Republic of Angola. /Text/ /Luanda Domestic Service in Portuguese 1200 GMT 29 Jan 86 MB/ 12228

CSO: 3400/982

BOTSWANA

COMMENTARY DISCUSSES 'LESSONS' OF LESOTHO COUP

MB241232 Gaborone Domestic Service in English 1125 GMT 24 Jan 86

[Station commentary]

[Text] The coup in Lesotho, the first such military intervention in politics in southern Africa, illustrates the havoc a hostile neighbor can unleash if there is a divided nation to exploit and the danger of basing foreign policy on political expediency rather than on a principled stand. All accounts of the situation in Lesotho point to a neat interplay of domestic and foreign variables leading to an unparalleled litany of political and economic crisis in this mountain kingdom wholly surrounded by South Africa.

The real division of the nation didn't come until 1970 when the government allowed the people to exercise their inalienable right of universal franchise, but immediately ignored the principle of popular will in a democracy when the prime minister, Chief Leabua Jonathan, seized power. He resorted to unconstitutional means when it was apparent that his Basotholand National Party, the BNP, was losing the general election to Mr Ntsu Mokhehle's Basotholand Congress Party, the BCP. At that time, his erstwhile conservative government appeared to have had the backing of the Pretoria regime, which is reported to have issued an ultimatum to Maseru either to seize power or South Africa would march in to dislodge what it regarded as a communist-inclined opposition party.

The honeymoon between Chief Jonathan's government and South Africa was, however, short lived. In successive years, Chief Jonathan fell foul of his giant neighbor when he asserted Lesotho's position in African politics, made feverish attempts to shed the South African albatross, invited in Eastern bloc nations including the Soviet Union, gave sanctuary to South African exiles, and increasingly adopted an anti-South African posture. This relatively radical attitude was ostensibly meant to win back the confidence and support of the OAU and neighboring black African states--support which the country had lost when the government declared a state of emergency and remained in power despite a virtual defeat. While Prime Minister Jonathan managed to sway African opinion in his favor and parade Mokhehle as a South African puppet, he incurred the displeasure of the South Africans, who had more than enough disgruntled Basotho elements to use to begin a program of destabilization through proxy as indeed occurred in Mozambique, Angola, and to a lesser extent Zimbabwe.

There are a few lessons to be learned from the Lesotho episode. The first is that power cannot be maintained for long through the use of naked force and Machiavellian tactics. The second is that Africa citizens who play into the hands of South Africa are actually committing national suicide.

[words indistinct] dubious alliances and a marriage of convenience with an unreliable neighbor such as South Africa is actually a blank check to her to interfere in one's internal affairs to satisfy her selfish interests. The best we can hope for now is that the military will soon return to their barracks and leave politics to the politicians. The syndrome of coups and counter coups does not speak well for the image of Africa. A coup is not the best answer to political problems. If anything, it tends to aggravate them. Experience has shown that by the time the military hands over power to the civilians, the country is already bleeding to death [words indistinct].

Africa can avoid these shameful traumas if it evolves a system of give and take which guarantees rule by popular consent such as we in Botswana have had for the past 20 years.

/12913

CSO: 3400/950

BOTSWANA

MASIRE RECEIVES NEW LESOTHO HIGH COMMISSIONER

MB301710 Gaborone Domestic Service in English 1610 GMT 30 Jan 86

/Text/ The president, Dr Quett Masire, said today that the government shall continue to ensure that Botswana and its people are not drawn into the South African conflict. The president said that at State House when receiving letters of credence from Lesotho's new high commissioner to Botswana, Mr Tokonye Kotelo. He said South Africa had problems itself but wishes to create conditions to involve other countries. /sentence as heard/

The president urged all countries to refrain from reacting to South African provocations in a manner that could easily allow it to have an excuse to act on its threats to resort to violence.

Dr Masire expressed concern at the recent economic blockade of Lesotho and said the action was contrary to the spirit of the Southern Africa Customs Union agreement of which Botswana, Lesotho, Swaziland, and South Africa are members. Furthermore, the president said, Botswana believes it is uncharacteristic of one member of a virtual free trade area to willfully impede trade and movement of goods across frontiers.

He said it was Botswana's belief that the South African action was in fulfillment of its threats to impose its own economic sanctions against neighboring countries. Dr Masire said that Botswana is convinced that whatever action South Africa takes against neighboring countries does not materially contribute to a solution of its internal problems.

Dr Masire also reiterated Botswana's policy of not allowing its territory to be used as a launching pad for attacks against its neighbors. He emphasized that Botswana, like Lesotho, believes in dialogue and good neighborliness and rejects the use of force to solve problems.

Earlier, the Lesotho envoy, Mr Kotelo, had advocated good neighborliness and peaceful coexistence as well as dialogue as the most acceptable (?means) to resolve misunderstandings and settle disputes. Mr Kotelo observed that he was presenting his credentials at a critical time when the subcontinent was facing its litmus test.

/12228
CSO: 3400/982

ETHIOPIA

AID TO ETHIOPIA CUT

Stockholm DAGENS NYHETER 20 Dec 85 p 20

[Article by Peter Bratt: "The Swedish Government Cuts Aid to Ethiopia"]

[Text] The government will cut the planned aid to Ethiopia. The reason is that the farmers are now forced into village cooperatives that are breaking down farming. In an area that has traditionally been receiving aid from Sweden, Arssi, one million people will be moved within two months.

Sida proposed in its petition that the funds to Ethiopia should be increased from the current 115 million kronor to 175 million kronor.

The bulk of this 50 percent increase was aimed at catastrophe preventing efforts in the area of agriculture.

But on the eleventh anniversary of the revolution in September of this year the government chief of Ethiopia, Mengistu Haile Mariam said that the country's population will be brought together into villages, so called economic units.

"About 10 percent of the farmers lived already earlier in collectives of a Soviet model, the collective farm type. But this involved the poorest people from the old feudal era, that had everything to gain by moving into these," says Johan Holmberg.

"The government currently handles about one third of the grain market. The rest is the so-called parallel, private market, where the farmers are selling their excess in principle from a donkey's back."

Great Risks

"That market is criminalized by the Ethiopian regime. One effect of the fact that people are brought together into collective villages is that this private market becomes even much more difficult than before. It will involve such great risks for the farmers that they will finish producing for sale. Thereby there will be even less food in a country that has been hit by one of the worst starvation catastrophies in history," says Johan Holmberg.

According to Holmberg the farmers' present huts will now be torn down and they have to build new ones in the collective villages. That is going to require lumber in a country where all the trees have to be protected in order to prevent further erosion. The farmers are supposed to be allowed to keep their own lots. In that case there will be a much longer walk for them to use the ground. It is not clear what will happen to the cattle.

"Is the cattle going to be shoved together into giant herds? Where will the cattle in that case graze and how? What will the effects on the soil be? This village immigration program will also cause confusion and increase the difficulties to produce grain."

One Million

"The program can hardly be carried out on a voluntary basis. Just in the area where the large Ardy program has been carried out with Swedish aid money one million people will be moved into villages within a time period of only two months."

"Even if we make it clear that no Swedish money can be used for this immigration, Sida will be indirectly associated with the project. We have been active in the area for 30 years," says Johan Holmberg.

This village immigration program must not be confused with the population transfer program from Northern Ethiopia to Southern Ethiopia. By the end of this year between nine hundred and one thousand people are estimated to have been moved from the north to the south.

A total of one and a half million people will be moved from Wollo and Tigray - where the opposition movement is in control of large areas - to the south. The reports on violence, force and very brutal methods have been numerous. According to the British press between 50 000 and 100 000 have died as a direct consequence of this population transfer.

Relinquishment

Mengistu's report on the new village information program came after Sida's petition had been written.

"What is now carried out by the regime is directly opposite most of what we believe in. Many plans therefore have to be cancelled," says Johan Holmberg.

The national budget will not be made public until 10 January of next year, but it is clear that there will be no 175 million kronor for Ethiopia. There will be some increase from the current 115 millions of this budget year, but it is unclear how much. A likely figure is 130 million.

The new money will go to areas that are not affected by immigrations and transfers, like ground and catastrophe aid.

9662
CSO: 3498/2

ETHIOPIA

WESTERN SOURCES OF INVESTMENT SOUGHT

Paris INDIAN OCEAN NEWSLETTER in English 11 Jan 86 p 8

[Text] Ethiopia is trying to attract foreign investors to help it realise the ambitious ten-year development plan it adopted in September 1984 and which requires funds amounting to some 14 billion dollars. The recent visits of Ethiopian head of state Colonel Mengistu Haile Mariam to the Soviet Union, North Korea and India were aimed in particular at securing economic assistance. But other steps have been taken with the object of restoring confidence to businessmen in western countries, so that they will invest, especially in agriculture and oil prospecting, in spite of Ethiopia's poor image in the West.

Compensation

These steps included the financial compensation agreed at the end of 1984 to the British firm of Mitchell Cotts, which had several of its cotton plantations nationalised after the 1974 revolution. But particularly interesting is the global agreement to indemnify American firms reached on December 20 with the United States. The accord, announced by the State Department, provides for Addis Ababa to pay seven million dollars over a five-year period, in order to meet all claims of U.S. citizens arising from expropriation, nationalisation or other restrictive measures since 1974. The distribution of this sum will be the responsibility of a specialist body in the United States which will decide on the merits of applicants. The Americans have declared themselves satisfied, even though claims amount to between 25 and 30 million dollars in total.

This accord certainly does not signal a more moderate political climate between Addis Ababa and Washington. Three days after it was signed, the U.S. Agency for International Development condemned in no uncertain terms Ethiopia's population resettlement and "villagisation" programmes, and demanded that they be ended. However, the accord could lead, sooner rather than later, to the United States resuming its economic aid to Ethiopia. This was halted soon after the revolution under a U.S. law banning aid to a country which refuses to compensate foreign firms whose assets were nationalised. However, the dispute over financial matters between Washington and Addis Ababa will only be finally settled when Ethiopia pays off old debts contracted in the days of Emperor Haile Selassie.

Efforts to reach similar compensation agreements with countries of the European Economic Community cannot be ruled out. Many European companies have still not been indemnified. A confidential report on Ethiopia commissioned by the EEC (see ION No 202) gave the up-to-date situation on this question, noting that in financial terms perhaps 75 percent of the claims of foreign private interests had been met. These included firms from Italy, the Netherlands, Japan, West Germany and Britain. The report said claims from EEC member countries which had still not been satisfied amounted to 20 million birr in the case of British interests (2.06 birr = 1 dollar), 50 million birr for those of Greece, 30 million for France and 11 million for West Germany.

New investment code and oil prospecting

The compensation accord with Washington could also be followed soon by the announcement of modifications to the investment code of January 1983, which is considered to be unattractive. Foreign businessmen want to see permission for foreign majority holdings in joint venture companies and company management by foreign nationals, and guaranteed repatriation of profits and dividends.

It is also known that an oil law is on the point of being adopted, and that its promulgation depends on a meeting to encourage oil prospection in Ethiopia, which has already been postponed once (see ION No 207). The plan is to lease 25 blocks for prospecting off the Eritrean coast, in the Ogaden and near the border with southern Sudan. The Chevron company has already undertaken a seismic survey in the Gambella region.

/9317

CSO: 3400/957

ETHIOPIA

MENGISTU INVESTIGATES DISCONTENT IN ARMED FORCES

Paris INDIAN OCEAN NEWSLETTER in English 11 Jan 86 p 3

[Text] Relations between Mengistu Haile Mariam and his defence minister Tesfaye Gebre Kidan have deteriorated sharply over the last few weeks, which have also seen armed forces units sending delegations to complain to the head of state. There is great discontent in some units, particularly in the air force where relations with Soviet advisers are the most strained. The roots of the complaints are not new, being the alleged excessive interference by the Soviets and the war in Eritrea, but they have been revived by the latest events in the war.

In contrast to his attitude in March 1984, Colonel Mengistu agreed to see the delegates and ordered three senior military officers to look into their recriminations. On the previous occasion the head of state, who is also commander-in-chief of the armed forces, had 90 officers delegated by the troops thrown into prison rather than listen to them, probably because the incident was too much of a reminder of the way in which Emperor Haile Selassie was overthrown. However, the officers were released soon afterwards under pressure from within the armed forces.

/9317
CSO:3400/957

ETHIOPIA

POLITICAL IMPLICATIONS OF RESETTLEMENT PLANS CONSIDERED

London AFRICA CONFIDENTIAL in English 2 Jan 86 pp 2-5

[Text]

The international furore over the death of tens of thousands of people while being forcibly resettled, and the probable defection¹ of Maj. Dawit Wolde Giorgis, chairman of the *Relief and Rehabilitation Commission*, has severely jolted Lt-Col. Mengistu Haile Mariam's regime. The formal inauguration of the *Peoples Democratic Republic of Ethiopia*, and a new constitution to go with it, are planned for this year's 12 September anniversary celebrations. But the ruling *Workers' Party of Ethiopia* (WPE) is still far from delineating the dozens of linguistic-cultural groups in the country which are due to be represented in the Soviet-style assembly of representatives. In the absence of political initiatives which could set a rapid pace towards settling the constitution, Mengistu's supremacy might be fatally weakened.

Hence the recent signs of activity on the nationalities question. Three bodies are working on the subject:-

- °The WPE nationalities committee, chaired by Shewandagne Belete (a former head of the anti-Soviet marxist group Wazleogue in the 1970s).
- °The Nationalities Institute, chaired by Yayehyirad Kitaw, an academic who was made a WPE central committee member at the party's founding congress in 1984. The institute hosts a wide range of people, including Eshetu Chole (detained for some time in the mid-1970s for suspected pro-Ethiopian Peoples' Revolutionary Party (EPRP) activity), and Assefa Medhane, an alternate central committee member and once an independent member of the *Political Office for Mass Organisational Affairs* (POMOA) set up in 1976. Though the institute reports to the WPE, it is regarded as a distinctly separate body, and will be primarily responsible for drawing the new ethnic map. (Language will be the main criterion. Economic viability will also be a consideration).
- A 191-strong constitutional committee, established last September to oversee the drawing up of the new constitution. It is to integrate the projected new regions into the future republic's federal structure.

Apart from the restraints imposed by the burgeoning WPE bureaucracy (AC Vol 26 No 14), the above three bodies have a very difficult task. For the 90-odd linguistic groups have so far only been whittled down to 70, most of which do not begin to be economically viable. The exceptions are the handful of groups like the Afar or the Gurage, both of which inhabit a homogenous area as well as being politically and economically organised. The solution to this numerical and "viability" problem now being canvassed by the WPE's nationalities committee is for the smaller groups to co-exist with a major group in one large heterogeneous region - a distinctly Leninist approach. (The theoretical principle is that "no nationality will dominate another since the history, culture, language and religion of each will have equal recognition" - to quote from the 1976 National Democratic Revolution Programme).

Details of the options for the new regional map have not been publicly released. However, we understand a number of ideas have been put to the various nationalities - including Muslims in Eritrea (the Beni Amer) and Somalis in the south-east - outlining possible areas for regional autonomy on at least a partially-ethnic basis. Below is a synopsis of what is being considered for the south-east and Eritrea.

The south-east

The Adari, the original inhabitants of the town of Harar, would have their own small region in and around the town; the "Kutu" Oromo, who farm the highlands to the east and west of Harar, spreading west and south-west of the Chercher mountains, would have another region; and possibly the local Amhara settlers (the "neftegnas") would have one too.

There are a number of contentious issues here. Firstly, the neftegnas - those who settled in the south and west of the country during the imperial conquest at the end of the 19th century - are regarded as colonialists by liberation fronts opposed to the regime. Giving the neftegnas their own region would be widely interpreted as a continuation of the imperial regime in another guise. One reason behind the proposition is that a considerable number of Dergue members are from Neftegna families in the Hararghe region.

The biggest group in the region is Somali. But, not surprisingly, they stand to be split: the Issas in the northern part (who also inhabit Djibouti) would have a new region running along the Addis Ababa-Djibouti railway, including the town of Dire Dawa and up to and including Awash station; the Somalis to the south of Harar would get a new region

comprising the Ogaden and southern Bale, including the town of Jijiga, its surrounding large-scale agricultural projects and perhaps the largely Somali-inhabited hills above the town as far as Fiamburu. A variation of this is to split the Somalis further, so that settled farmers would have their own region around Jijiga, leaving the rest of the Ogaden to nomadic clans. The Ethiopian regime sees this more in the context of dividing the Ogaden between the Issas, the Ogadeni and the Majerteen, or between the Issas on one hand and the Darood as a whole. A factor which might influence the final decision is the relationship between the regime and the Somali opposition fronts based in Ethiopia - the *Somali National Movement* and the *Democratic Front for the Salvation of Somalia*. The former is drawn largely from the Issaq (northern Somalia) and the latter from the Majerteen (central).

Within the framework outlined above there would also be scope for several alternative scenarios - for instance having the whole of Hararghe and southern Bale as a Somali region, with the Oromos, Adari, Amharas and Issa having smaller autonomous regions within it. Alternatively there might be no paramount nationality but a series of smaller ones of equal status.

Significantly the disruptive and highly unpopular villagisation programme now in full swing and being extended throughout the country originated in Hararghe. The programme brings together scattered farmers and farms into centralised villages, ostensibly for security reasons. About 800,000 people have already been affected in Hararghe alone. The disturbance to traditional farming patterns may of course affect food production adversely, at least in the short-term, even if the moves often help land conservation. But, above all, the programme will help security and party control, for it will lay something of a foundation prior to the inauguration of new autonomous regions. Small-scale changes in the ethnic control of certain areas are already appearing.

The north

In Eritrea last October a similar plan was put to a large group of Muslim elders. It was proposed that what would be an essentially Muslim region would take in the western and northern areas of Eritrea along the borders with Sudan, as well as the Red Sea coast down to and including Massawa. The region, in which the primary group would be the Tigrinya-speaking Beni Amer, would have Keren as its capital. Within this there would be a separate national region for the Kunama - one of the Eritrean nationalities which has consistently supported the government.

The largely Christian, Tigrinya-speaking areas of south-central Eritrea (Akele Guzai an' Serai) would be detached from Eritrea and go to the neighbouring region of Tigray. Southern Eritrea, including Assab (inhabited by Afars), would go to an Afar national region taking in eastern Tigray, eastern Wollo, and including the Awash valley towards Awash Station. Finally a small separate region would be made out of Hamasein, the area around the Eritrean capital of Asmara. This would be kept under direct government control.

The above dispensation for Eritrea is designed to appeal separately to several of the elements within the Eritrean liberation movements: Tigrinya speakers could join their own people in Tigray (to the advantage of the *Tigrayan Peoples' Liberation Front* (TPLF); the Afars would be pleased to have their own region; so would the Muslims in Eritrea, who comprise at least 50% of the population. The government seems to be making a concerted effort to woo

Famine politics

Pragmatic cooperation between the aid agencies and the government, in particular Maj. Dawit's *Relief and Rehabilitation Commission* (RRC), was the key to averting further famine. With Dawit's "extended leave" and the antagonisms between the agencies and the government surfacing more openly, there is unlikely to be enough cooperation to avert disasters next time. The dergue's hardline attitude now is partly because it has lost control of the relief effort: in early 1985 the RRC controlled 70-80% of emergency food distribution; by the end of the year the figure was only 25-30%. RRC lost the agencies' confidence by failing to provide food in places like Korem and Mekelle in Tigray earlier in the year.

The other main reason for the agencies' loss of confidence in the dergue and the RRC is the horrific implementation of the resettlement programmes (moving people largely from Tigray, Eritrea and Wollo to the more fertile areas of Wollega, Illulabor and Kefa). Most aid personnel approved in principle this ongoing scheme simply because the northern lands were incapable of supporting their indigenous populations (AC Vol 26 No 1).

But by the middle of last year the government began to implement a more overtly political tone to resettlement. Individual provinces were given arbitrary resettlement quotas. Frightened local officials tried to fulfill them by any means. Guidelines for resettlement - willingness to relocate, non-separation of families and good health - were often ignored.

The good rains between June and August allowed a better harvest than predicted. Suddenly the worst of the emergency was over. The legitimacy of such an expensive, large-scale resettlement programme became highly questionable, especially in the way it was carried out. Tigrayans were flown by helicopter from Axum to Mekelle, thence by Antonov to Addis Ababa. (Sick, undernourished people were often herded in batches of 250 into the unpressurised cargo holds and flown south at 22,000 feet). From Addis the survivors went by bus to the large Asosa and Metu camps in Wollega and Gora camp in Illulabor.

Few of the resettlement "volunteers" have been given the small holdings they were promised. Most are merely commandeered for work on collective farms in return for meagre food handouts. Medical and water supplies are rarely adequate, save in the show-piece camps reserved for journalists, career "refugee executives" and sundry potentates. In fact many of the camps have to be patrolled by local militia - like POW camps. The *Oromo Relief Association* claims some of the Tigrayan newcomers are being armed by the authorities so they can protect themselves from attack by local Oromos objecting to the "colonisation" of Oromo lands. The TPLF appears to have organised mass escapes of Tigrayans from camps close to the Sudanese border. Hundreds have crossed to Kurmuk and Damazin; hundreds more have died in the attempt.

About 600,000 people have been resettled so far. Aid agencies are demanding that the RRC improves conditions for existing settlers in the south-west before going ahead with a programme

that removes northern farmers from their first good crops for several years. (Only *Médicins sans Frontières* (MSF), the smallest agency which worked in Ethiopia, spoke out, claiming in December that 50,000-100,000 people died because of resettlement. Acting RRC commissioner *Berhane Deressa* issued three vitriolic attacks against MSF, which had to leave the country immediately).

In most respects the regime has not acquitted itself well. Ethiopia requires a lot of food assistance this year (1.2m tonnes according to the RRC, 950,000 tonnes according to the US government). Unlike in 1984-85, when the crisis necessitated food deliveries by any means, food assistance will now be conditional. Aid agencies will demand more control over implementation of feeding programmes. The American government, which provided over 40% of emergency food needs last year, is planning to reduce its contribution to 33% of the total before complete withdrawal by the end of 1988.

Apart from the general lack of apparent political benefits to the US, one of the latter's main concerns was the paucity of food distribution in the contested areas of Tigray and Eritrea. Not until November did the two US agencies appointed to spearhead the northern relief operation manage to work at full capacity. (The operation entails food distribution from government-held towns and villages, mainly for the benefit of people in the contested rural areas). *Catholic Relief Services* thus distributed via the local Catholic church nearly 3,000 tonnes to about 200,000 people from over 25 distribution points in a large area ranging from the north of Karen, to Barentu in the west and to Massawa on the Red Sea coast. *World Vision International*, responsible for the Tigrayan end of the operation, has only managed to feed about a third of the 100,000 people it wanted to reach, and all this from a single distribution point at Inde Selassie. Security is too bad to extend feeding points to places like Indabaguna and Adigrat.

The most important foreign agency in the entire northern region (including Tigray, Eritrea and northern Wollo and Gondar) is the Swiss-based *International Committee of the Red Cross* (ICRC). Since May it has been distributing 10,000 tonnes of food monthly to about 800,000 people, using seven feeding points in Tigray, two in Eritrea and over 30 others stretching as far north as Ade Shebe, near the EPLF-held town of Nacfa. ICRC insists on an expatriate presence at each point, thus ensuring the safety of those flocking to places like Adua, where 60,000 people receive their monthly 15 kilo ration. A number of government bureaucrats, exasperated that they cannot make ICRC submit to their dictat, or the RRC's, say ICRC is like a state within a state. Perhaps that is true. But at least people get fed.

The operation to bring food into Tigray and Eritrea from Sudan continues at a rate of about 1,200 tonnes a month, despite the difficulties caused by the Ethiopian military offensive in Eritrea (AC Vol 26 No 26). But little of the 25-30,000 tonnes of US grain earmarked for cross-border feeding is now being shifted from Port Sudan and Gedaref.

Muslims. Muslim governors have been appointed to Keren, Agordat and Massawar towns and to the Sahel region. And the deputy administrator of the whole Eritrean region is **Mohammed Ejil** (from the Beni Amer). Ethiopia has also been enquiring recently from **Saudi Arabia** about Saudi conditions for stopping all aid to Eritreans and for helping with any peace process. We understand Saudi Arabia still insists on the removal of **Soviets** before it will make any response.

Whatever the possible value of all the above schemes, the government and the WPE lack credibility. People are often deeply suspicious and worried about the bureaucracy's heavy, monolithic hand. The Eritrean Muslims, for example, appear to have voiced their disapproval of what was put to them. The actual degree of decentralisation of power to the regions is a long way from being decided. So it is not surprising that so many people view the regional schemes with cynicism.

The WPE politburo, the nationalities committee and the institute are attempting to debate the decentralisation issue. One group wants an imaginative approach and a lot of devolution within a federal system - all of course controlled by the party. It is argued that the *Eritrean Peoples' Liberation Front* (EPLF) and the TPLF would be undercut by such a policy. The EPLF, which uses the colonial issue to cover Eritrea's multi-ethnicity (AC Vol 26 No 14), would be further disadvantaged by the redrawing of boundaries on an ethnic/religious basis.

Those in the poliburo apparently in favour of this "liberal" approach include the party's number two and three (in theory) - **Fikre Selassie Wogderess** and **Fisseha Desta** (a Tigrayan), minister of labour **Berhanu Bayeh** and deputy chairman of central

planning **Addis Tedla**. Those against the idea include minister of defence **Tesfaye Gebre Kidan**, head of organisation **Legesse Asfaw** (the pro-Soviet ideologue whose influence has waned considerably), head of the ideological committee **Shimelis Mazangia**, and head of the workers' control commission **Alemu Abebe**. The latter group wants a minimalist approach to the regions. Mengistu himself has yet to be persuaded. Instinctively he will be against anything that could threaten the party's hegemony, even his own position. So in due course it can be assumed he will join the minimalists.

Equally important, the still largely Amhara bureaucracy feels threatened by talk of federalism and devolution of power. And many senior military and civilian figures have done personally very well out of the constant state of war in the north of the country, where the implementation of foreign exchange controls are evidently lax. Several senior commanders from the Eritrean front have built exceedingly pleasant villas in Addis Ababa.

Since there is no sign of a consensus emerging within even the *Nationalities Institute*, the party itself will have to try to settle the myriads of difficult issues which need constitutionally-enshrined solutions before 12 September. The easy way out will be to reject the "liberal" arguments. The WPE constitution could then be paraded at another multi-million dollar party in Addis Ababa. Meanwhile the civil war and famine goes on.

Footnote

Paulos Dikin, a party member and deputy in the department of international affairs defected to **Norway** while on an official visit there last October. Since 1978 Dikin advised Mengistu directly on foreign affairs. For some time he had advised against the resettlement programme. He also wanted a political rather than military solution in Eritrea.

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CSO: 3400/956

GHANA

DILEMMA OF SECURITY PERSONNEL, ORGANIZATIONS

London TALKING DRUMS in English 13 Jan 85 p 19

[Text]

The recent swapping between the USA and Ghana of Ghanaians convicted of espionage in the USA and in Ghana, raises a number of interesting issues concerning Third World Security Organisations and their personnel. In this article I intend to discuss the role of security organisations in the Third World, their relationship with security organisations of advanced countries, and the implications this relationship have for Third World security organisations and their personnel. I shall draw my examples from Ghana, a country whose security set-up I have a good knowledge of.

Briefly, the role of a security organisation is to prevent subversion and espionage. Espionage in the Third World is mainly used to promote subversion. Subversion in this sense means seeking to take over political power by unlawful means, means other than those specified in the constitution of the country. In a Third World country like Ghana subversion eventually culminates in a coup d'etat. In its early stages subversion takes the form of various activities calculated to undermine the government and to prepare the minds of the people for the eventual overthrow of the government.

Ghana's security organisation was set up in the late forties by the colonial government to report on the activities of political agitators. The definition of the offence of subversion can be overstretched and used to harass genuine political opposition if there are no independent courts which will try persons accused of subversion.

In Ghana subversion is a criminal offence which is codified in the Criminal Code Act of 1960. Espionage is an offence under the States Secret Act. What the security organisation does is to detect and investigate cases of subversion and espionage and eventually apprehend suspects. Such suspects are later prosecuted by the Attorney-General's office. It is noteworthy that various military regimes, which came to power through subversion have found it necessary to enact draconian laws to deal with subversion. What they have failed to do is to ensure that such laws are interpreted by an independent judiciary.

Officers of Ghana's security organisation are police officers who have been trained to deal with subversion, espionage and related offences. Some started their careers as ordinary police recruits who were later in their career selected for training to work for the security organisation. Others started their police career as direct recruits into the security organisation, which until 31st December 1981 was known as Special Branch of the Police Service. After the December 31, 1981, coup it was renamed Bureau of National Investigation. Its functions have however not changed. A sister organisation of the Special Branch is the Military Intelligence which, among other things, deals with subversion and espionage in their initial stages within the armed forces.

In the performance of its functions the security organisation in the Third World

seek outside help in the form of equipment, skills and cooperation. This is found necessary because subversionists do not confine their activities within the borders of their own country. Subversive and espionage activities may originate in a foreign country by nationals who live abroad or by a foreign power. The importance of local knowledge and the need to blend with the locality while conducting certain types of investigation makes it necessary to have friendly relationships with security organisations of other countries. Even among advanced countries this sort of cooperation is found necessary.

To acquire certain skills and knowledge personal security organisations in the Third World attend courses in the advanced countries. While there, they are exposed to the security organisations of the advanced countries who get to know them very well and may be able to exploit their weaknesses and strengths when the need arises in the future. On certain occasions instructors and technicians from advanced countries travel to Third World countries to organise courses for security personnel and to install equipment.

Again, on such occasions they get to know the security personnel, security equipment and installations in the country. These are all invaluable knowledge which may be used in the future.

Let us take the case of Ghana to illustrate this point. Ghana's security organisations have cooperated closely with British, American, Israeli, German and Soviet security organisations at one time or the other depending on the inclination of the government at a particular time.

Inspector Peasah who was swapped recently had before his retirement worked for the Special Branch of Ghana for over 20 years. In the course of this period he

attended courses organised by British, American and Soviet instructors. These courses were run in Accra, London, Washington or in Moscow. I am quite sure he is well-known and documented by the security organisations of these countries, he could therefore have been asked for help by agents of any of these countries depending on the circumstances at the time. The same applies to Chief Superintendent S.B. Ofusu-Addo, a communications engineer who had been with the Special Branch for about fifteen years before his imprisonment.

The unnecessary exposure through courses can be avoided if the security organisations themselves enjoy stability, and only their experienced training officers are made to attend courses organised by foreign security organisations. The knowledge they acquire can be passed on to other officers at courses organised locally. As things are at present, the security organisations are always being re-organised with the frequent changes of governments, and old and new security personnel are always being exposed to different foreign security organisations.

As a result the strengths and weaknesses of security organisations in the Third World are no secrets to security organisations of countries like the USA, West and East Germany, Israel and the Soviet Union. More importantly the security organisations do not get the opportunity to grow, mature and be efficient.

In the Third World countries the position of security personnel is an unenviable one. In countries where subversionists of yesterday are the government of today security personnel suffer death, imprisonment, persecution, dismissal, and at best re-deployment. In such a situation only a few can perform their duty without fear or favour.

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CSO: 3400/953

GHANA

MINISTRY ALLOCATIONS, DISBURSEMENT WARNINGS

Accra PEOPLE'S DAILY GRAPHIC in English 14 Jan 86 pp 1, 4

[Article by Kwamena Apponsah]

[Text]

CHIEF and Regional Treasury Officers are to be held responsible for any expenditure authorisation in excess of the drawing limit approved in the Provisional Estimates for the first quarter of the 1986 budget released by the Ministry of Finance and Economic Planning at the week-end.

To ensure that agencies operate strictly within the allocations, the Controller and Accountant-General will issue to all treasuries drawing limits on monthly basis which should be strictly adhered to.

Heads of government agencies are also reminded of their financial responsibility under Financial Administration Regulation 68 which enjoins them to submit returns of actual expenditure on monthly basis to the Ministry of Finance and Economic Planning not later than ten working days after the end of each month of account.

These directives were contained in a memorandum to the estimates. It said C2.5 billion allocated to the Ministry of Finance and Economic Planning for development expenditure would be released for only on-going projects for which funds have been provided in the 1986 estimates.

"No new projects should be started in the interregional period by any government agency without the express approval of the government", it pointed out and noted that releases for the development expenditure would enable fast moving on-going projects to go on without interruption.

The memorandum warned that under no circumstances should votes provided in the Provisional Estimates be used to defray indebtedness carried over from the 1985 fiscal year because special arrangement has been made to pay-off existing debts which would be properly justified.

It said: "All payment vouchers which were lodged with the treasuries but could not be passed for payment have lapsed and under no circumstances should any treasury officer process such vouchers against votes in the Provisional Estimates or provisions to be made in the 1986 budget annual estimates. Fresh approval must be obtained from the Ministry of Finance and Economic Planning".

According to the memorandum, until the 1986 estimates are published any commitments in respect of international subscription payment which would fall due within the first quarter of 1986 fiscal year would also be met from a block vote under the Ministry of Finance and Economic Planning.

In all the government approved C15,096,300,000 for the first quarter of the year. And out of the amount C2.5 billion is allocated to the Ministry of Finance and Economic Planning for development expenditure while for its recurrent expenditure C7,084,663,000 was allocated.

The Ministry of Agriculture's allocation was C290,431,000 while that of the Lands and Natural Resources was C77,597,000. Other allocations were Fuel and Power C3,347,000 and for the Ministry of Trade

C1,814,000.

An amount of C72,336,000 was allocated to the Ministry of Industries, Science and Technology and a further C176,578,000 was allocated to the Ministry of Works and Housing. The Ministry of Roads and Highways had a recurrent allocation of C103,950,000 while the Transport and Communications outfit had an allocation of C148,955,000.

The Education Ministry received C1,652,902,000 and the Ministry of Youth and Sports received C43,646,000. The health sector received an allocation of C750,186,000 while the Labour and Social Welfare Ministry had a recurrent allocation of C30,003,000.

Another allocation to the Ministry of Rural Development and Co-operatives was C48,793,000 while the Interior Ministry received C374,351,000. Local Government received C170,024,000 while the Office of the PNDC received a recurrent allocation of C678,968,000.

The Ministry of Culture and Tourism received an allocation of C20,984,000; the Ministry of Information C128,144,000; while the outfit for the Administration of Justice received C6,032,000; while the Foreign Affairs Ministry received C169,682,000.

An amount of C494,285,000 was allocated to the Ministry of Defence while the extra ministerial departments received C58,646,000.

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CSO: 3400/941

GHANA

CULTURAL AGREEMENT SIGNED WITH IRAN

Accra PEOPLE'S DAILY GRAPHIC in English 14 Jan 86 pp 4/5

[Article by Janet Quartey]

[Text]

MR Seyed Shamseddin Khareghani, Charge d'Affaires of the Iranian Embassy in Ghana, has said that the Islamic Republic of Iran will continue to assist Ghana and other third world countries in the form of scholarships, building of schools, mosques and basic essential commodities like drugs in times of need.

Mr Khareghani said this in Accra yesterday at a

ceremony at which a cultural agreement was signed between Ghana and Iran.

Dr Mohammed Ben Abdallah, Secretary for Culture and Tourism, signed for Ghana.

The Charge d'Affaires noted that the two countries which share common goals and aspirations have been targets of imperialist media which have made it their task to halt the progressive march of countries which have embarked on revolutionary transformations by mobilising world public opinion against them.

He said the cordial relations between Ghana and Iran have been given a big nod with the signing of the agreement and hoped the

two countries would work tirelessly to expose the true values of their cultures to each other and benefit from the exchange of ideas and other cultural experiences.

Dr Abdallah on his part, said that Iran like Ghana, has realised the tremendous potentials in culture which draws peoples and nations together in a bond of eternal friendship.

He said it has now become an accepted fact in all fora that culture has the power to continue dialogue between nations where politics, economics and commerce have failed.

The Secretary said it was in that line that the PNDC attaches great importance to cultural affairs both at home and in her

external relations.

He said Ghana and Iran are still struggling against the forces of imperialism, neo-colonialism and cultural domination and that it was against such background that the agreement was signed.

The Secretary said the agreement covers the cultures of the two countries in their entirety and makes provision for exchanges on reciprocal basis in areas such as education, sports, science and scientific research, arts, tourism promotions and museums and monuments.

Dr Abdallah pointed out that the signing of the agreement was very significant because it opens a new era in relations between the two countries

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CSO: 3400/940

GHANA

TRADE UNION CONGRESS ON WAGES, EXCHANGE RATE

Accra PEOPLE'S DAILY GRAPHIC in English 16 Jan 86 p 4

[Text]

THE Trades Union Congress (TUC) proposes to enter into discussions with other workers organisations before participating in the tripartite committee to determine a realistic minimum wage that must prevail in the country.

This, the TUC said, will be on the basis of an actual knowledge of the prices of goods and services that will come out with the 1986 budget.

The TUC was reacting to the readjustment of the Cedi to the U.S. Dollar and the new minimum wage announced by the government at the weekend.

A statement from the Secretariat of the TUC Tuesday night said the Congress noted with grave dissatisfaction and disapproval, the government's

announcement of another devaluation of the cedi and an arbitrary determination of the minimum wage.

It expressed strong disapproval of the announcement of a minimum wage without any consultation with and reference to the tripartite committee.

The Congress emphasised that the increase of the minimum wage from C70 to C90 while the cedi has been devalued by 50 per cent to C90 to the U.S. Dollar, represents an immediate fall even in the money value of the minimum wage.

It added: "to maintain the value of the minimum wage it should have been automatically raised from C70 to C105 in the light of the current devaluation" — GNA.

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CSO: 3400/940

GHANA

CIVIL AVIATION DEPARTMENT INDEPENDENCE, AIRPORT CHANGES

Accra PEOPLE'S DAILY GRAPHIC in English 27 Dec 85 p 1

[Article by Kodjo Atsu]

[Excerpt]

THE Department of Civil Aviation (DCA) is to be removed from Civil Service control and transformed into a self-financing Civil Aviation Authority (CAA).

This is to free the institution from Civil Service bureaucracy and enable it to manage its own affairs and provide the infrastructure, facilities and services most crucial to the air transport industry in the country.

The law to this effect has already been drafted by the PNDC.

Group Captain J. O. Komanteng, acting Director of the DCA, announced this at an end of year party for airlines operating at the Kotoka International Airport (KIA). The ceremony also marked the award of prizes to the best three airlines.

Among a number of measures aimed at improving services at the airport, Group Captain Komanteng disclosed that the

department will instal an X-ray screening equipment to make the opening of passengers' baggage necessary only on rare occasions.

According to the acting Director, another baggage conveyor system will be installed behind baggage weighing scales at the Departure Hall to facilitate handling of departing passengers' luggage, just as in the arrival hall.

Group Captain Komanteng said the air cargo handling services, which have not been handled well are also being seen to and hinted that a series of studies have been conducted and plans are well advanced for the construction of an Air Cargo Terminal to cater for the evergrowing air cargo industry in the country.

Meanwhile, ducts have already been constructed in the arrival hall to instal a split-unit air conditioner for the comfort of passengers, the acting Director mentioned.

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CSO: 3400/940

GHANA

PORT REHABILITATION PROJECTS EXAMINED

Tema, Takoradi Ports

Accra PEOPLE'S DAILY GRAPHIC in English 28 Dec 85 p 1

[Article by Wendy Asiana]

[Text]

MASSIVE rehabilitation work is to start latest by mid-1986 on the Tema and Takoradi ports to increase the volume of freight traffic and goods that they handle.

The port rehabilitation exercise which will include civil works, plant and equipment rehabilitation and replacement as well as the re-organisation of management and operations is estimated at a cost of 73.2 million dollars.

The World Bank is contributing 24.2 million dollars, the Saudi and Japanese governments providing 14.1 million dollars and 24 million dollars respectively, the European Economic Community (EEC) will provide 7.7 million dollars in financial and technical assistance while the Ghana Ports Authority is contributing three million dollars for the successful completion of the projects.

Apart from the rehabilitation exercise, steps are being taken to remove all bottle-necks in the administrative set up of the ports.

And to this end the Ghana Ports Authority, the Ghana Cargo Handling Company and the Takoradi Lighterage Company are being merged into a single Ports Authority to

remove the continuous conflict in operations of the three offices that has led to low productivity and the consequent imposition of surcharges by the international shipping community on the country's ports.

According to the Ministry of Transport and Communications sources, under its Action Plan for 1986 to 1988 the PNDC has decided to invite private participation in the Tema Shipyard and Drydock Corporation in order to inject the much needed capital and expertise in the dock.

The government policy, the sources said is to retain majority shares in the resultant partnership represented by a state financial institution while the remainder is to be shared between foreign participants and local dock users.

Under the 1986-88 Action Plan, it is expected that the country's railway line will increase its haulage capacity from about 300,000 tons of freight and 200,000 passengers in 1984 to one million tons of freight and 600,000 passengers by the end of 1986 to 1.5 million to two million tons of freight and 1.2 million to 1.5 million passengers by the end of 1988.

Accra PEOPLE'S DAILY GRAPHIC in English 30 Dec 85 p 8

[Text]

CONSTRUCTION work has started on Bulpe port on the Volta River in the Northern Region by a West German construction firm, ABU.

It is expected to be completed in November, 1988.

Speaking at the sod-cutting ceremony, the paramount chief of the Gonja Traditional Area, Yegbonwura Timu I, said the construction of the port would facilitate transportation of goods and services not only to and from the north of the country but to neighbouring Burkina Faso.

He, therefore, hoped the Volta River Authority (VRA) would do everything possible to ensure the

completion of the project on schedule.

Yegbonwura Timu also asked the VRA to regulate the use of the engine boats for cargo and passengers on the Volta River because of the hazards they are exposed to during the dry season when the water level falls.

According to the Project Engineer of the Volta Lake Transport Company, Mr Freddie Sowa, the VRA is building the port to support that of Akosombo.

He said port facilities in the Volta were being expanded to enable easy shipment of cargo and passengers, adding that the VRA would soon provide more barges and tugs.

As a first step, he said, three barges each for cargo and petroleum products have already been provided. — GNA.

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CSO: 3400/942

GHANA

BRIEFS

JAPANESE AID, TERMS--Accra, 28 Jan (GNA/PANA)--Japan is to extend 41 million U.S. dollars in assistance to Ghana this year, the Japanese ambassador in Ghana, Mr Kazuaki Arichi disclosed in Accra today. The amount shows an increase of 10 percent on Japan's aid last year. Mr Arichi said 25 million dollars of the amount, which will be a loan for road rehabilitation, will have a 30-year maturity period with a 10-year moratorium and an interest rate of 3.5 percent. The rest of the assistance will be a grant. Mr Arichi said 10 million dollars would be direct aid to the country's economic recovery program and 1.96 million dollars would be in food aid. Three-point-four (3.4) million dollars would be debt relief and 500,000 dollars would go into technical aid. Mr Arichi said Japan preferred to be benevolent to developing countries because humanitarianism was important for peace and stability of the world. /Text/ /Dakar PANA in English 1706 GMT 28 Jan 86 AB/ 12228

COCOA FARMERS GIVE ULTIMATUM--A report in the Weekly Spectator says that about 800 cocoa farmers in Kaase-Sefwi District in the Western Region have given the Ghana Cocoa Board (COCOBAD) a deadline to effect full payment of their cocoa purchased since last October. The ultimatum is an expression of the farmers' frustration at the irregular visits to the village by officials of the Social Security Bank (SSB), designated by the COCOBOD to make prompt payments for the "Akuafo Cheque" in the area. The farmers, from Mongoase, Kaase, Adiembra, Tema Kramokrom, Besease and Ayaakwaa have had in their possession since October "Akuafo cheques" totalling about C50.5 million. The decision of the farmers was contained in a resolution adopted at a general meeting at Kaase and sent on their behalf to the office of the Political Counsellor for the CDR's in Accra by Mr Emmanuel Gyau, Organizing Assistant for Mangoase Zonal CDR's. Mr Gyau said that since October the SSB officials had visited the villages only four times during which they made total payment of about C2 million. Most of the farmers, he said, have had to resort to selling of their belongings to enable them to pay their farm-hands and meet other commitments. [Text] [London TALKING DRUMS in English 13 Jan 86 p 23] /9317

AIRSTRIP RENNOVATION, CONSTRUCTION--The Ministry of Transport and Communication under its Action Programme for 1986/88 plans to develop and promote the construction of airstrips to make most of the key districts and rural centres which sometimes get cut off from the rest of the country by floods and other road disasters more accessible. In addition to this, all existing airstrips will be rehabilitated and equipped to standards necessary for commercial operations. Under the programme, there are plans to rehabilitate and develop the Kumasi Airport to be used as an alternative to the Kotoka International Airport (KIA) in situations when the KIA is closed down for repair works. Ministry sources hinted that an Instrument Landing System has been installed at the KIA under UNDP funding while a new radar has also been installed to promote safety at the airport. The government, the sources said, has concluded a contract for installation of adequate equipment at the KIA to make the ports information section fully effective. [Text] [Article by Wnedy Asiana] [Accra PEOPLE'S DAILY GRAPHIC in English 31 Dec 85 pp 1, 5] /9274

UNDER SECRETARY CHANGES--Changes in the assignment of PNDC Under-Secretaries have been made, a Castle statement said in Accra at the weekend. Mr Simon Abinga moves from the Upper East Region to become the Under Regional Secretary for the Upper West Region. Mr Amidu Sulemana moves from the Upper West Region to become PNDC Under Regional Secretary for Upper East. Mr Martin Amidu moves from Under East to act as Under-Secretary for Local Government whilst Mrs Gertrude Zacharia Ali is on leave. Another statement said the PNDC has appointed W. O. II Akwaboa-Asare Kwadwo as Field Assistant to the Office of the District Secretary, Birim District. Flight Sergeant G. Anyanumeh and Sergeant E. T. Yohuno have also been appointed Field Assistants in the Offices of Manya Krobo and Kaoga Districts while Sergeant Ubald Ajowiak takes over as Field Assistant to the Builsa District Secretary. Meanwhile, the PNDC has released Mr F. A. Jantuah from his duties as PNDC Secretary for Local Government on health grounds at his own request. [Text] [Accra PEOPLE'S DAILY GRAPHIC in English 13 Jan 86 p 4/5] /9274

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KENYA

IMPACT OF BUMBER COFFEE CROP ASSESSED

Nairobi THE WEEKLY REVIEW in English 17 Jan 86 pp 13-17, 19

[Excerpt] "Whoever has stocks of coffee right now is sitting on a gold mine."

That statement by a delegate attending the Inter-African Coffee Organisation meeting in Abidjan, Ivory Coast, last week, underlines the excitement that is coursing through the veins of most coffee producers as rocketing coffee prices threaten to surpass those of 1976/77, when Brazilian coffee had been hit by frost. In that period, coffee prices averaged L4,200 pounds a tonne, a figure that had already been exceeded last week at the Nairobi coffee auction, which released a maximum of L4,574 a tonne. Although world prices have not yet reached the historic peak of US\$3.05 per pound weight reached at the height of the 1976/77 boom the price at the London auction closed on Tuesday this week at \$2.10 and was still rising. And in Kenya, officials have already announced that the coffee industry is in for a new boom which, an assistant minister for agriculture and livestock development said should last for at least two years.

As in 1976/77, the current price surge is as a result of natural calamity in Brazil, the world's largest coffee producer. A prolonged drought in that country is expected to cut Brazil's production this season to 16 million bags from 30 million last season. The situation is further compounded by the recent volcanic eruption in Colombia, the world's second largest producer, which is reported to have affected much of the country's coffee.

Even before the effects of the Brazilian drought to world coffee production this season had been assessed prices had already begun to rise, sending waves of controlled panic through the London-based International Coffee Organisation (ICO) which administers the International Coffee Agreement (ICA). The coffee agreement is a pact between the world's major producers and consumers of coffee negotiated every five years. It is designed to protect both importers and exporters by maintaining a stable market, and functions by controlling the supply of coffee beans through a quota system. The current pact has been in force since 1983 and aims to keep coffee prices within a target range of between L1.20 and 1.40 a pound. Should the prices of coffee beans to up beyond the target range, the ICO allows the injection of more coffee to the market as a mechanism for bringing down prices. If the price reaches L1.50 a pound under the current pact, ICO is required to inject one million bags of

coffee to the market every 15 days for 45 days. If the price does not come down to \$1.45 in that period, the quota system is suspended.

After the current price surge began in late October last year, the ICO put in an extra five million bags in November on top of the 58 million bags scheduled for the season. Although there was no immediate shortage in the market, speculators sustained heavy buying in anticipation of future shortages. The prices kept going up, hitting the critical mark of \$1.50 on December 12. Under the agreement, if the prices do not fall to \$1.45 after the injection of an extra three million bags, the quota system will be suspended on February 17, making the coffee trade a free-for-all.

As the effects of the Brazilian drought became clearer, the first auctions of 1984 opened with fears by consumers that the soaring prices may trigger panic-buying and hoarding once the high prices reached the supermarkets. In Brazil, domestic consumer prices had already gone up by as much as 500 per cent by the end of 1983, and hysteria was gathering within households in Europe and North America, pushing the prices even higher.

Pressure began mounting on the ICO to suspend the quota system earlier than February 17, both to stabilise the market and to save the coffee agreement from collapsing. The first to react was the Colombian president, Belisario Betancur, who felt that a flood of supplies would depress the prices enough to allow for the quick re-imposition of quotas. He was not alone. Early last week, the 25-member inter-African Coffee Organisation (IACO) held an emergency meeting in Abidjan and recommended immediate suspension of the quotas.

While concerned about the future of the International Coffee Agreement, IACO members were more pre-occupied with charting out a strategy for maximising their gains from the price surge. Even as the meeting in Abidjan was continuing, some of the members were already moving to cash in on the boom. Early last week, Kenya began selling all her coffee under one catalogue without distinguishing which was destined for quota and which for non-quota markets. The minister for agriculture and livestock development, Mr. William Odongo Omamo, who is also the current chairman of the ICO, announced that Kenya would continue to offer 45,000 bags a week under this system for the next few months until the situation became clear.

Kenya has sizeable stocks of high quality Arabica coffee, the type worst hit by the drought in Brazil. Last season, the country produced over 120,000 tonnes of coffee. Its quota at the ICO is 70,000 tonnes (about 1.4 million bags), leaving a balance of 50,000 tonnes (or about one million bags) in surplus stocks. With such large stocks of high quality coffee, Kenya is one of the countries set to benefit most from the current price surge. At the close of the Nairobi auctions last week, top quality Kenya coffee fetched shs.5,023 a bag, the highest since the country became a member of ICO.

The effect of a coffee boom on countries like Kenya can be very dramatic as demonstrated by the 1976/77 boom. Primarily because of the high prices of the commodity prevailing then, the country moved from a deficit of shs.303 million in its balance of payments in 1975 to a surplus of shs.710 million in 1976. At the prices prevailing at the Nairobi auction last week, the coffee stocks Kenya is holding from the 1984/85 season alone could fetch as much as £230 million, nearly the total Kenya coffee earnings for 1976 or the total tea earnings for 1977.

Unlike government officials, however, the coffee industry seems to be approaching the news of a new boom with a measure of caution. Officials at the Kenya Planters Co-operative Union (KPCU), the umbrella organisation that handles coffee on behalf of the farmers, told *The Weekly Review* this week that it would take nearly three months to get the feel of the market before it could be confirmed that a new boom was actually happening. The officials said Kenya would be selling the surplus from the 1984/85 crop through to March or April, and it was only after that that the 1985/86 crop would be put in the market. "If that happens at the rising prices, the boom is for real. We not only shall have sold all the backlog stocks, but also shall have fetched good prices for them," said one KPCU official.

The expectations of producers to rake in a cash bonanza are, however, tempered by fear for the future of the International Coffee Agreement, which could lead to long-term collapse of the world coffee market. The rosy outlook is also soured by memories of the 1976/77 boom which was followed by a dramatic slump in coffee prices in the following few years. According to the IACO chairman, Mr.

Denis Bra Kanon, the current volatile prices may boost the economies of many poor African nations, but the long term interests of the producers would not be served if the coffee agreement collapsed.

There are fears that the suspension of quotas could lead to a glut on the market, greatly depressing prices and hurting the small producers. Once the quotas are lifted, it may also become difficult to reimpose them, thereby jeopardising the future of the agreement.

Said ICO chairman Omamo, "On the one hand I am happy because the high prices will benefit small producers in Kenya. On the other hand, however, I am apprehensive about the possibility of the International Coffee Agreement crumbling, as this may herald the nose-diving of coffee prices."

The executive board of the ICO meets in London for four days from next Monday (January 20) to endorse the suspension of quotas by February 17 should the prices not come down. The inter-African body last week recommended to the ICO that it retain market control measures, such as provisions of certificates of origin so as to allow the immediate restoration of quotas when prices fall. The African body also hopes that the ICO, whose council is scheduled to meet in April, will arrive at a sustainable price structure and institute measures to stabilise the market and hold it within manageable brackets.

There is good reason for concern. Doubts over the coffee agreement's future had already emerged before the recent price surge and the now prevailing volatile market can only make the situation more precarious. Last year, the United States threatened to pull out of the agreement and the ICO after failing to secure penalties for exporters whose undershipments to the quota markets were linked to sales to non-ICO members. The US was apparently concerned about countries like Ethiopia and Nicaragua, which had been selling their coffee to non-quota markets in the Soviet block while not meeting their allocations in the ICO. For instance, Ethiopia, which has a quota of nearly 1.5 million bags with ICO, had a shortfall of about 450,000 bags last season.

The argument over penalties aside, the current US policies seemed opposed to commodity cartels and the US congress is scheduled to discuss the issue of that country's future participation in the ICO.

An international coffee agreement without the participation of the US would be seriously compromised since the US accounts for 25 per cent of the total world coffee imports.

Indonesia, the world's third largest coffee producer, has also been having problems with the ICO over her quota which she says accounts for only 45 per cent of the country's total production. Last year, the chairman of the Indonesian Coffee Association, Mr. Dharyono Kertosastro, advised that Indonesia should consider withdrawing from the organisation.

Whatever the future of the ICO and the coffee agreement, there appears little doubt that the quota system will be suspended on February 17, thereby exposing the 10-billion-dollar international coffee trade to free market economics, at least for a while. For Kenyans, that is good news — at least for now. The high prices of the 1976/77 boom led to some coffee consumers switching to tea. If that happens this time, Kenyan tea producers also stand to gain. The benefits of a coffee boom will not be felt through most sectors of the economy until about a year from now. Initially, there may even be some negative repercussions. The news of a coffee boom may trigger demands for higher wages in the agricultural sector, and that could send inflation spiralling in the rural areas.

The benefits to be gained from the boom are many. But so are the pitfalls that come with easy gotten wealth. (See separate stories on the impact of 1976/77 coffee boom on some of the major sectors.) Much of Kenya's earnings from the 1976/77 boom went into luxury spending and prestige projects that generated no further wealth for the country once the boom was over. The biggest share also went to sectors other than agriculture. Besides the glut in luxury goods and neglect of other agricultural activities that came in the wake of the 1976/77 boom, coffee smuggling became a national pastime. Chepkube, the notorious frontier town in Busia where Uganda coffee was bought on the black market, became a household name. It even became difficult to tell how much of the coffee Kenya sold during that period was Kenyan and how much was smuggled in from Uganda.

The Quotas

ICO quota allocations as of last month before the quota system came under threat were as follows: (Figures are in 60kg or 132lb bags)

Brazil	17,032,389	Kenya	1,371,511
Colombia	8,992,878	Ecuador	1,198,679
Organisation of African and Malagasy Coffee		Zaire	1,195,803
Producers (OAMCAP)*	6,369,617	Honduras	870,137
Indonesia	2,539,438	Tanzania	752,659
Salvador	2,475,411	Peru	724,783
Uganda	2,405,110	India	710,756
Mexico	2,018,440	Nicaragua	708,057
Guatemala	1,917,136	Papua New Guinea	656,154
Ethiopia	1,474,500	Dominican Republic	524,073
		Philippines	496,197
		Angola	300,000

*OAMCAP is an umbrella organisation under which Malagasy and a group of small African coffee producers market their coffee through the ICO. ■

President Daniel arap Moi has already warned against a repeat of the smuggling activities. But it is likely that that will not put off some of those attracted by the smell of quick riches. This time, however, the situation is not quite the same. Uganda, which has a much larger quota than Kenya at the ICO, has been ravaged by war. The infrastructure for coffee production and marketing has largely been cannibalised. Much of the Ugandan coffee is grown in the western areas now under the guerrillas of the National Resistance Army and, without peace, it will be difficult for it to be moved through areas controlled by the ruling military council and into Kenya. The NRA could, however, sell the coffee in the areas under its control by using the route currently followed by Rwandan goods destined for the Kenyan port of Mombasa - that is, through Rwanda to northern Tanzania and into Kenya through Kisii and South Nyanza. In that event, the Ugandan coffee could be fair game for middlemen and crooks in all three countries - Rwanda, Tanzania and Kenya. Whether Kenyan middlemen and crooks will do as roaring a business as they did nine years ago remains to be seen.

In the meantime, everyone is moving to cash in on the expected bonanza. The KPCU is asking for the abolition of the coffee excess charged by county councils saying that would maximise earnings by the farmers. It has even called for the abolition of export duty on coffee. The Nairobi stock exchange has reported speculative buying and a higher demand on plantation shares in coffee companies quoted on the exchange. And the crooks cannot be far behind. But the main challenge as outlined by the vice-president, Mr. Mwai Kibaki, this week, is to ensure that the extra income reaches the peasant farmers. After all, it is their coffee that will have made it all possible.

Transports Of Delight

If the anticipated coffee boom becomes a reality, one aspect of the Kenyan economy that is going to be widely affected by it is the transport industry, which would have to be fully mobilised in order not only to move enormous

amounts of coffee from the growing centres in Kenya, Uganda, Rwanda and Burundi to the export port of Mombasa but also to service the ancillary industries that would be an off-shoot of the boom.

The transport industry in Kenya is second only to agriculture in offering the largest number of direct and indirect employment opportunities. With the coffee boom therefore, the industry is bound to expand considerably and create sectors, including road, rail, air and services at the ports. During the 1977/78 coffee boom, the industry created over 200,000 direct and indirect job opportunities.

Kenya Railways (KR) took the lion's share of the overall industry during the 1977/78 coffee boom, hauling tons of coffee to Mombasa, although the now ailing Kenatco company provided KR with stiff competition because, as a parastatal organisation, Kenatco had a monopoly in road transport of coffee in Kenya. Kenatco also transported coffee from the neighbouring countries, under police escort.

The 1977 coffee boom did a lot financially to boost the parastatals like KR, Kenya Airways and the Kenya Ports Authority (KPA), which were set up following the collapse of the East African Community and its corporations. The disruption of the Community corporations had adversely affected the transport industry and it was the coffee boom that salvaged it.

At that time, KR, Kenatco and KPA were doing roaring business, not only handling coffee but hauling many other items that were procured with revenue from sales of coffee. It was soon after the coffee boom that KR modernised its coaches and improved its systems, while many road transport companies, such as Kenatco, Coast Hauliers, and H.H. Abdi, considerably increased the number of their carrier trucks and trailers. Kenatco, for instance, had over 350 heavy-duty trucks and trailers at the time, which used to travel to Tanzania, Malawi, Mozambique, Rwanda, Burundi and Zaire, though the closure of the Kenya-Tanzania border cut off the southern trips to Zambia and Malawi.

As a result of the coffee boom, road transport topped the list of earnings in 1977/78 in the transport sector with £48,122,000 of the total revenue of £173,067,000 for the transport industry at the time. At that time, the Transport Licensing Board (TLB) recorded over 230,000 vehicles of all categories and classes licensed, with over half of them being saloon cars and station wagons. Figures from the TLB indicate that the number of matatus licensed from 1976 increased dramatically, making them the most required vehicles but the numbers started declining with the decline of the coffee boom.

The coffee boom boosted many other sectors of the Kenyan economy such as building and construction, manufacturing and agriculture, all of which needed ancillary support from the transportation industry. ■

Benefits Throughout the Agricultural Sector

THE impact of the 1977 coffee boom was felt in almost all sectors of the country's economy, not least agriculture, where there was a burst of activity which led to the increases in the crop hectareage and in overall farmer earnings. The boom coincided with favourable weather conditions that boosted production in the entire agriculture sector. In that year, coffee was the most profitable crop, not just for regular farmers but for everyone who had the capital to invest in it. Reports show that the booming coffee trade prompted a number of businessmen in the country to abandon their original businesses to set up in the coffee trade, or at least to

include coffee in their consortium of businesses.

Not only was coffee production up but so was that of tea. Statistics for the period show that tea and coffee together accounted for 60 per cent of the total value of exports.

Because of the intensive activity generated by the boom, the Coffee Board of Kenya recorded high insurance claims. There were many cases of coffee being stolen from transit wagons, warehouses and stores, but these mishaps did not deter activities of the farm, says an official of the Kenya Planters Cooperative Union (KPCU), which handles over 90 per cent of the coffee deliveries in the country.

The economic survey for the first quarter of 1978 indicates that the previous year had been an extremely good one for farm incomes and the volume of agricultural production. There were increases in the production of the major cash crops — coffee, tea and sugar cane. Total sales of agricultural products rose by 60 per cent within a year, from K£250 million in 1976 to £400 million in 1977. Coffee and tea together fetched £250 million.

The volume of coffee delivered and processed rose from 74,000 tonnes in 1976 to 101,000 tonnes in 1977. This increased yield and boom trade may have accounted for Kenya being chosen as the venue for the 1978 International Coffee Organisation conference, in recognition of the important role the country played as a coffee producer; it was the first time an African country had hosted the conference, which discussed a number of problems facing the coffee industry, especially the manner in which the Coffee Act was being violated by underhand dealings in coffee by a number of businessmen in the country. The annual report of the Coffee Board of Kenya described 1977 as a "year of widespread illegal movements of coffee". And two MPs were jailed for stealing 485 bags of coffee.

Co-operative societies increased their production: in the 75/76 period, production stood at 36,000 tonnes and within a year, it had risen to 47,000 tonnes. Estate production also rose within the same period to 49,000 tonnes. But the quality of coffee reportedly went down, prompting the then agriculture minister, Mr. Jeremiah Nyagah, to call for better husbandry methods in coffee farming.

Despite a reluctance on the part of some plantation owners to sell their coffee farms due to the prevailing high prices on the world coffee market, reports show that African ownership of coffee farms rose during the boom period from 428 in 1977 to 517 in 1978. Total hectareage under African farmers stood at 17,000 hectares within the same period, representing 53 per cent of the total. In 1977, African hectareage was only 13,000 hectares or 44.3 per cent of the total.

The coffee boom also created employment opportunities in the agricultural sector; records show that about 100,000 were directly absorbed into the coffee industry alone. A further 400,000 are said to have derived their livelihood indirectly from the industry. The then finance minister, Mr. Mwal Kibaki reported in his budget speech in 1977 that there had been an unprecedented rise in some people's personal incomes within that year. Tea and sugar plantations were also reported in the budget speech to have absorbed more people in their respective sectors.

When contacted by *The Weekly Review* to comment on this year's anticipated coffee boom, a senior official of the KPCU said that his organisation had already warned farmers not to get carried away by the news. He said the experience of 1977 was not altogether pleasant, as much of the extra earnings by farmers were not invested in the farms but in conspicuous consumer goods and when coffee prices later plummeted the quality of coffee had not been maintained, leading to lowered prices for Kenyan coffee on the world market. He added that, coffee being a major cash crop, any changes that occurred within the industry were bound to have a ripple effect through the entire economy. He said the greatest impact that a coffee boom has is on tea. "As the price of coffee goes up," he said, "more and more people turn to drinking tea." He warned against any major expansion in the employment of farm labour, despite the expected rise in the overall production of the coffee crop. "More coffee can be produced on the same acreage as long as better husbandry and farm management is effected," he said. ■

The Effect on Manufacturing

THE manufacturing industry in Kenya is geared to the curtailment of the proliferation of imported goods into the country, that is, import substitution, whose industries rely heavily on the availability of foreign exchange for raw materials and other inputs. The years 1975 and 1976 were characterised by economic recession and inflation that hit the world economies and led most governments and businessmen into dire financial straits, especially in developing countries, where many manufacturing industries stagnated due to the lack of adequate foreign exchange.

A reprieve, however, came Kenya's way in 1977 with the coffee boom that was occasioned by frost in Brazil, the world's leading producer, which spoilt that country's coffee crop. Kenya's coffee was in high demand and, with soaring prices on world markets, the country's foreign exchange reserves were greatly boosted. This resurrected business in the country and ushered in increased investments by the government and both local and foreign concerns in the manufacturing industry, which led to a number of changes in the country's economy. For

example, whereas the output of this sector had only increased by 15 per cent in 1976, in 1977 it increased by 18 per cent and whereas the number of people in wage employment in the manufacturing sector in 1976 was 109,000, in 1977, the number rose to 118,000, which represented 13 per cent of the total wage employment in the country.

Evidently pleased with the performance of the manufacturing industry in that year and with good foreign exchange reserves, the Kenya government lined up several projects to be implemented after 1977, including the expansion of Pan African Paper Mills at Webuye, at a cost of K£40 million, and the speeding up to the tune of £62 million, of the construction of the Tana River reservoir for the generation of hydro-electric power. All the schemes were to be completed in two years. Then came the most ambitious scheme ever, the Kisumu alcohol power plant, whose cost was estimated at about shs.600 million, a figure, it was argued by some experts, which is still too high, even after the coffee boom. Then came the expansion of the Athi River cement factory at K£14 million and the expansion of sugar production. In small-scale industries, the Kenya Industrial Estates, in the 1979-83 development plan, was

charged with the responsibility of initiating such industries in Eldoret, Kakamega, Nyeri and Embu, the aim being to take the industrial estates to the rural areas to promote industrial development there, to increase rural employment and to promote the use of locally available raw materials. The Industrial Development Bank, a major source of finance for medium- and large-scale manufacturing industries, advanced over K£5 million to 22 investment projects; in the previous year, 1976, it had loaned out K£3.9 million. These loans were for the promotion of the manufacture of furfural, glass, oxygen, sugar, thread and food-stuffs.

Obviously, the manufacturing sector had done well in the area of the coffee boom to warrant such attention from the government, and the increases in output experienced in the sector had been widely distributed. Food processing plants experienced a sustained growth, mainly in the production of edible fats, sugar, ghee and cooking oil. Sales of footwear recorded a steady increase and so did the output of metal products. The rise in the output of textiles that had been anticipated was not realised because of the proliferation of illegal imports on the market.

But those who had thought that 1978 was going to be as good a year as 1977 were to be disappointed. The manufacturing industry did not perform as well as it had in 1977 and this was witnessed in the shortages that hit the country. Essential commodities ranging from salt to cooking gas, in the domestic field, and from tyres to cement in the transport construction industries were in short supply. Then, midway through the year, there was an acute shortage of meat. According to the chief executive of the Kenya Association of Manufacturers at that time, Mr. Tom Tyrell, 1978 was, on the whole, one of modest expansion in the industry, but it was nowhere near that of 1977. The coffee boom was no more and with its ending, it would appear, had gone the benefits it had brought to the manufacturing sector in particular and to the Kenyan economy in general.

This was confirmed in 1979, when the manufacturing sector was badly hit by governmental restrictions on credit, stringent import regulations and high prices for imported machinery and fuel. The foreign exchange reserves during the year dwindled adversely. The balance of payments deficit which stood at shs.1,452

million in 1979 had grown to shs.1,800 million in 1980.

In the wake of the current coffee boom, according to an official at the KAM, Mr. J.N. Otido, the contents of the country's foreign exchange coffers will be boosted and in this way the manufacturing industry will benefit because it relies on foreign exchange for the purchase of machinery, spare parts and raw materials. It was also his hope that, following the availability of adequate foreign exchange, the government might feel able to reduce import restrictions to allow manufacturers to import a wide range of goods to increase their outputs or to expand their operations. Otido also felt that as farmers' purchasing power rises as a result of their sales, they might want to buy machinery and more fertilizers and in this way the manufacturers of such goods will benefit from the coffee boom. He was, however, of the opinion that the ensuing dividends from the coffee boom should not, unlike last time, be spent on expensive projects like the molasses plant in Kisumu but, rather, they should be invested in projects which will continue generating revenue long after the end of the coffee boom. In this way, he said, the foreign exchange that will be earned will be put to work for the future.

Otido was of the view that if there is a relaxation by the Central Bank of restrictions on imports, then only necessary imports should be allowed into the country, and not imports of items which are produced locally. Otido said that foreign exchange earned by this boom should be invested in such projects as the manufacture of chemicals and pesticides, which would go a long way in improving the quality of Kenya's coffee and other crops. Other necessary investments are the manufacture of fertilisers locally and a plant to produce implements that are needed in the irrigation sector.

The simple message for planners and policy makers, then, is that projects which should get priority as a result of any boom are those which do not drain the foreign exchange reserves extensively and which repay their capital investments and generate revenue over the long-term. ■

The Effect On Banking

THE major effect of the 1977 coffee boom on the country's banking industry was

that it led to a sharp increase in the money supply. When delivering his budget speech in June, 19878, the then minister for finance and planning, Mr. Mwai Kibaki, said that the cashin circulation in the country and bank deposits had actually increased much more rapidly than was desirable in 1977 — by 47 per cent. This, he said, was a direct consequence of a substantial balance of payments surplus arising from the record coffee and tea incomes flowing directly into the domestic banking system. The banking industry enjoyed considerable growth in that year and as the country accumulated an unprecedented amount of foreign exchange earnings, the balance of payments position underwent a turn-about, such that the Central Bank of Kenya was able to boast a record profit of shs.228.7 million during the 1976/77 financial year, as compared with the previous year's figure of shs.93.4 million.

The year 1977 was, therefore, boom time for the banking industry. The volume of deposits in commercial banks, for example, rose from shs.7,157 million at the end of 1976 to shs.10,507 million by the end of 1977, and the bank's liquidity reached a peak at 37 per cent. Savings also increased, as did investment, which was financed mainly from local resources and, towards the end of the year, domestic private credit also rose sharply. The boom did not, of course, last, and its aftermath, when coffee prices began to fall sharply in 1978, was unpleasant.

Even before the fall in prices, the Central Bank had already acted in trying to restrain the excessive growth in money supply. It increased the liquidity ratio of commercial banks to 20 per cent and later imposed a four per cent cash ratio and a limit to the rate of growth of bank advances of 1½ per cent a month with a view to restricting the growth of bank money to around 18-20 per cent. At the same time, however, monetary authorities also tried to introduce measures aimed at making good use of the excess liquidity in the domestic market. They felt it desirable to introduce measures aimed at increasing credit and, hence, production in the agriculture, manufacturing and tourist sectors of the economy. Foreign-controlled companies operating in those sectors whose local borrowing had been restricted to between 20 and 60 per cent of investment were allowed to increase their local borrowing up to a maximum of 100 per cent of their investments for an initial

period of two years, and this measure was believed to have contributed to increased production as well as employment in these sectors.

Despite the fall in the price of coffee, the economy maintained a strong momentum in 1978, but because of the sharp increase in imports occasioned by the boom, the balance of payments position was already showing a downward trend. The monetary authorities soon found themselves faced with the problem of trying to cope with the monetary disequilibrium brought about by excessive foreign exchange movements between mid-1977 and the first quarter of 1978. At the domestic level, the boom had raised inflation from 8.7 per cent in 1976 to 16.1 per cent in 1977. In foreign exchange, the Kenya shilling, aligned with the IMF's special drawing rights, depreciated by an average of 16.7 per cent against the currencies of its major trading partners in the European Economic Community, partly as a result of the domestic inflation.

If the current coffee boom reaches 1977 proportions, it can be expected that the monetary authorities will once again try to control any excess money supply with a view to keeping down the rate of inflation. Credit control measures invariably turn out to be difficult undertakings, however, because the interests of the monetary authorities are often at variance with those of individuals and the banking industry. A boom would no doubt increase the level of deposits in banks and financial institutions but restrictions on lending would mean that the banks are paying interest on the deposits but losing income which they would otherwise have gained from lending. During the last boom, there were suggestions that temporary taxation should be imposed on coffee money with a view to reducing the money in supply, and hence inflation, and the government would also become a beneficiary. Whether or not the government will consider this possibility in event of a major boom this year remains to be seen but another coffee boom will no doubt affect all sectors of the country's economy. On an individual level, those benefitting directly from the boom may be pleased to see that the increase in their incomes could be higher than the increase in inflation, while those with no direct access to coffee money will find themselves paying more for goods on the same income. ■

Government Spending

IN the wake of the windfall improvement of the Kenyan economy created by the 1977 coffee price boom, there was a marked increase in the government's public spending. Total government expenditure was £538.85 million compared with 391.44 in the previous year, and the ratio of government expenditure to the gross domestic product rose to 29 per cent compared with 27 per cent the previous year. The collapse of the East African Community also played a part in the rise in public spending, as the government was forced to incur substantial expenditure on the establishment of parastatals which were formerly owned by the three partners states. In the beginning of the year of the coffee price boom, the government, expecting an increase in its budgetary resources, introduced an increase of 25 per cent into its spending. Total expenditure by the central government rose too far in excess of the budgeted increase of 25 per cent by the significantly larger margin of 60 per cent. This large rise was, however, matched by an increase in revenue receipts which, as a result of good prices for tea and coffee and increased economic activity in all productive sectors, turned out to be much greater than had been anticipated. The government also earned more revenue from the "coffee boom" after the minister for finance and planning introduced export taxes for tea and coffee.

The rise in public spending after the coffee boom is best illustrated by the number of major projects the government embarked upon as a result of the buoyant economic situation following the commodity price boom. The government undertook to modernise the Kenya Railways Corporation, which involved the purchase of more than one hundred new locomotives of various types and more than 1,000 passenger and cargo coaches, at a total cost of £50 million. In the same period, construction on the multi-purpose upper Tana River reservoir, to provide, among other things, irrigation and electric power at a cost of shs.1.1 billion was also started. Other major projects undertaken within the boom period included the expansion of Egerton College, at a cost of shs.200 million, the building of Mombasa's Nyali Bridge at a cost of £3

million, the construction of three silos for the then Wheat Board of Kenya, and completion of the Jomo Kenyatta International Airport. Apart from these increases in direct central government spending on projects, a number of state-owned institutions also embarked on projects that involved the expenditure of colossal amounts of public funds. Major expansion work at the Mumias sugar factory, to increase the production capacity of the factory from 90,000 tons of sugar to 180,00 tons, took place in the period. The construction of the Re-insurance Plaza by the Kenya Re-insurance Corporation, at a cost of shs.120 million, and that of Co-operative House, by the Co-operative Bank at a cost of shs.66 million, were also undertaken in the same period. the same period.

Even if the coffee boom Kenya is entering were to stimulate the economy and create a development momentum of the magnitude Kenya experienced during the 1977 coffee boom, many economists say that the government is not likely to increase public spending like during the previous boom. In recent years, the government has shifted from its old policy of providing a wide range of services for the rapidly growing population to more prudent development spending, emphasising reductions in public spending through austerity measures, reduced direct government participation in some parastatals and improved planning for development projects. While it is true that the government's budgetary resources would expect a boost from a coffee boom, observers say that an increase in government deficit financing is unlikely. ■

/13104

CSO: 3400/981

LESOTHO

KING MEETS INDIAN ENVOY, URGES END OF APARTHEID

MB301341 Maseru Domestic Service in English 1130 GMT 30 Jan 86

/Text/ The new high commissioner of India to Lesotho, His Excellency Mr (Alfred W.B. Vas) presented his credentials to His Majesty King Moshoeshoe II at the Royal Palace in Maseru this morning. Mr (Vas) said India and Lesotho have common interests. He said the two countries have gone through the same colonial past in which they freed themselves from their former colonial masters, but without rancor, rather in a spirit of continuing friendship and cooperation.

He said the two countries, both members of the Commonwealth, also have common views and strategies in various international fora like the Nonaligned Movement, the North-South and South-South dialogue, the multinational deliberations over a just and equitable economic order, the abhorrence of racial discrimination, and their aspirations and ideals to step into the 21st century having liquidated the stagnation of aliens. /as heard/

Mr (Vas) said he felt that his was a dual responsibility since Lesotho does not as yet have a resident representative in New Delhi. He said he was sure the Basotho and their government would treat him as a representative in Delhi, and that in this task he would have not only their cooperation and goodwill, but encouragement as well.

On receiving the credentials, his majesty said he was hopeful that Mr (Vas) presence among the Basotho will strengthen the already strong friendly ties that exist between Lesotho and India. He said it was gratifying that the two countries are active members of the Commonwealth, the Nonaligned Movement, and the United Nations where the ideals, principles, and votes of the two governments coincide.

His majesty congratulated India's efforts to bring together all the developing countries so that they can realize and use their economic and political power to change the unfair international economic and political order. He further congratulated India on its consistency in reducing and neutralizing the ever-present tension and threats of unnecessary wars between the superpowers.

His majesty further said that Lesotho is currently struggling with the problems of attaining peace and stability in the southern African region and stressed that the Basotho are convinced that apartheid is a basic cause of instability

and destabilization in the region. He expressed the hope that South Africa would soon dismantle the apartheid policy. His majesty cherished the support the government and people of India are giving Lesotho in this course of assisting the oppressed black majority in South Africa.

Recalling that India and Lesotho have signed a technical and cultural agreement under whose auspices Lesotho has Indian experts assisting in the fields of education and auditing, his majesty said this agreement cemented the already strong bilateral relations between the two countries. He assured Mr (Vas) that the Government of Lesotho would extend all the necessary cooperation and assistance to him and make his stay among the Basotho fruitful and happy.

Mr (Vas) succeeds Mr Singh Bedi who is now holding an important position in India's External Affairs Ministry. After presenting his credentials Mr (Vas) paid a courtesy call on the chairman of the Lesotho Military Council, His Excellency Maj Gen Metsing Lekhanya.

/12228

CSO: 3400/982

LESOTHO

COMMENTARY DETAILS GENERAL LEKHANYA'S BACKGROUND

MB270824 Maseru Domestic Service in Sesotho 1700 GMT 27 Jan 86

/Station commentary/

/Text/ The army in Lesotho took over the government on Monday, 20 January. The government in this nation is under the Military Council headed by Maj Gen Justin Metsing Lekhanya.

Who is Maj Gen Justin Metsing Lekhanya? He was born at Ha Fere in the Qacha's Nek District on 7 April 1938. He received his initial education at the Catholic mission of St Anne, (Qhatjana), St Francis, and (Parys). He then proceeded to Roma College which he completed in 1957. Like most Basotho boys and men, in 1958 he went to South Africa to work in the mines in Springs until 1959. He continued his studies by correspondence and in October 1959 he joined the police department. Then in 1964 became one of the first members of the Police Mobile Unit, PMU, where he rose through the ranks of the unit. He was appointed Assistant Commissioner of Police in 1970. Between the years 1972 and 1973 he attended courses in Scotland and again in 1973 he was in the group of police officials who attended some police college in the United States. In 1974 he became head of the PMU following its upgrading to the Lesotho Paramilitary Force, LPF, as a major general and has held this position until now.

Major General Lekhanya is very interested in agriculture, enjoys fishing, and plays tennis. He married his present wife, Sofia, in July 1962 and has four children, three daughters and a son.

This, then, is Maj Gen Justi Metsing Lekhanya, the chairman of the Lesotho Military Council, which took over power in Lesotho on 20 January 1986.

/12228

CSO: 3400/982

LESOTHO

BRIEFS

NATIONAL RECONCILIATION CALLED FOR--The Anglican bishop of Lesotho, the Right Reverend (Philip Makuku), has called for national reconciliation in Lesotho, and has urged Basothos to stand together at a time when the country was facing a new era in its history. He said Basothos should forget their political differences. Meanwhile, the American ambassador to Lesotho, Dr S.L. Abbott, has visited the Nasefu bridge border post following the normalizing of border control between South Africa and Lesotho. Dr Abbot said in an interview that he was happy that the situation had returned to normal, because it would be to the benefit of both Lesotho and South Africa. He said he knew the new leader of Lesotho, Major General Letsing Lekhanya, to be a straight man who was opposed to communism. Concerning Eastern and Western Embassies in Lesotho after the coup, Dr Abbot said they had been briefed, but that nothing formal had been arranged. [Text] [Johannesburg Domestic Service in English 1600 GMT 26 Jan 86 NB] /12913

CSO: 3400/950

LIBERIA

NEW GOVERNMENT OUTLINES MAJOR POLICY OBJECTIVES

Monrovia FOOTPRINTS TODAY in English 8 Jan 86 pp 12, 9

[Text] As Liberia ushered in a democratic government after five years of military rule, the government mapped out certain major policy objectives aimed at revamping the ailing economy of the country.

This was made known by Dr Samuel K. Doe, President of Liberia, in an address he delivered shortly following his inauguration at the Centennial Memorial Pavilion in Monrovia Monday.

In his nationwide address before some national and international distinguished personalities, President Doe said the "course of our action for economic recovery" would be guided by the development and utilization of reliable statistics on the manpower profile of the nation and on the other factors of production including raw material, energy and capital.

President Doe noted that because of the "unfavourable state of affairs," government's economic action would dictate the achievement of rural transformation through an integrated plan with emphasis on agriculture, small-scale business, cooperatives and other labour intensives.

According to the President, government would also take action on a vigorous and sustained implementation of policies, measures and programs aimed at more efficient allocation, use and management of "our natural and human resources."

President Doe pointed out that for economic recovery, the government will in its administration take action in increasing the efficiency and management of public sector resources and a stimulation of private sector production, especially in exports.

He said government will seek to reform the public enterprise system to improve overall efficiency through fiscal, financial and managerial measures.

He added that due to the unfavourable state of affairs, government's economic recovery program would be guided by the development of a balanced educational system and improvement in our standard of employment, promotion and income distribution.

The President further pointed out that a course of action would be taken on open investment policy, to encourage socially conscious investors to participate in petroleum exploration and production, mining and mineral processing, forest exploration and wood processing, deep sea fishing and food processing, and domestic resource base manufacturing industries.

President Doe noted that the foregoing will also seek to restore confidence in the banking system, honesty in government, contribute to the rationalization of government operations and a reduction in the high deficit in the financial system.

He made it clear that government is beginning this administration at a time of "serious decline" in economic activities at home and abroad with unemployment being high in the country.

But President Doe said through these policies, government is hoping to achieve high and respectable standards of prosperity, equality of opportunities for Liberians and derive for us a rise in the productive capacity of the economy.

He said owing to the heavy debt burden and its effects upon the nation's budget and the balance of payment, "I solicit the cooperation of the international community and our friends in support of the efforts which our government and people intend to take."

He noted that as the economic crisis has persisted for a relatively long period of time, it has no doubt left some scars on the socio-economic system of the country.

"This, therefore, makes the task before us indeed difficult and requires the foresight, patriotism, patience and determination we can muster to achieve success," the President pointed out.

President Doe indicated that the security, safety and preservation of the State and its people is the first duty of any government.

He said consistent with this objective, the greatest goal of his administration shall be to secure and provide equal opportunities for all alike, and to ensure the protection, happiness and prosperity of the citizens of the country in an atmosphere of peace and tranquility.

/9317

CSO: 3400/971

LIBERIA

GOVERNMENT APPEALS FOR INTERNATIONAL UNDERSTANDING OF DEBT BURDEN

Monrovia NEW LIBERIAN in English 7 Jan 86 p 7

[Text] The President of Liberia, Dr Samuel K. Doe, has appealed to the international community for its support and cooperation in Liberia's determination to tackle the "heavy external debt which affects the national budget."

He said government would take "appropriate measures" aimed at easing the external debt burden in order to achieve "high and respectable standards of prosperity and equality of opportunities for all Liberians."

Dr Doe made the appeal yesterday in his inaugural address after he was sworn in as the 20th President of Liberia.

He said economic recovery measures already announced by government would boost the productive capacity of the economy and help to restore confidence in the banking system and honesty in government.

President Doe said such efforts would also contribute to the rationalization of government operations and reduce the high deficit in the financial system.

He noted the "persistent economic crisis" had negatively affected the socio-economic system of the country and pointed out that the path to success requires "all the foresight, patriotism, patience and determination of all Liberians."

/9317
CSO: 3400/971

LIBERIA

EXPATRIATE WORKERS

Immigration Seeks Statistics

Monrovia NEW LIBERIAN in English 17 Jan 86 p 3

[Text] All business houses operating in the country have been called upon to provide the Bureau of Immigration and Naturalization with information on the number of aliens in their employ by February 1 or face a fine, deputy Immigration Commissioner David Barshell disclosed Wednesday.

Commissioner Barshell told the Liberia News Agency that the exercise which is in line with the bureau's guidelines is also intended for developmental planning as well as to provide information on the number of aliens in the Liberian labor force.

He said the information on alien employees in the country should include their nationalities, salaries, tenure of service, positions among others.

Commissioner Barshell said that most of the business houses in the country have begun cooperating in this endeavor and disclosed that about 3,089 aliens were working in the private sector, and about 1,000 in the public sector of Liberia.

He then expressed the hope that government ministries and agencies who have aliens in their employ would cooperate with the bureau to ensure its smooth operation.

Work Permits Withdrawn

Monrovia FOOTPRINTS TODAY in English 17 Jan 86 pp 1, 7

[Text] About 300 work permits issued to aliens have been withdrawn to facilitate the employment of capable Liberians in strategic positions, Labour Minister John C.L. Mayson said yesterday.

He told reporters that the withdrawal exercise of the permits which is still in force took effect this month as aliens in the employment of government and other concession areas go to the Labour Ministry to renew their permits.

Minister Mayson noted that to place Liberians in positions where they are capable of working would be a priority during his administration as Labour Minister.

He pointed out that there are Liberians who are accountants, technicians and engineers, among others, having the same experience and know-how like the aliens, but added that some qualified Liberians could not get employment because such positions are being occupied by aliens.

He said at present there are "hundreds" of requests made by aliens as well as their employers for the issuance and renewal of work permits, but he maintained that such requests will not be granted in order to put Liberians on the job.

Minister Mayson said he had observed while acting as Labour Minister for a period of four months that employers in various concessions declared employees redundant at random.

He noted that such action was taken without the employers inspecting their balance sheets to ensure that they have adequate funds to compensate the employees who were affected.

He pointed out that as a result, numerous complaints reached his office which caused his intervention on different occasions.

Minister Mayson said even though redundancy is carried out in consideration of stringent economic constraints facing those concessions, the employers must ensure that funds are available to compensate those to be affected.

He said as done previously, he would still persuade employers to inspect their balance sheets so as to avoid any embarrassment when they decide to declare their workers redundant.

Minister Mayson pointed out that regarding his staff and employees, he would not change his attitude towards them, but stressed that he would be assessing their commitment and competence on the job.

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CSO: 3400/972

LIBERIA

AIR LIBERIA SCHEDULED TO GO PRIVATE

Monrovia NEW LIBERIAN in English 17 Jan 86 pp 1, 6

[Article by J.N. Elliott]

[Excerpt] Government has unfolded an ambitious plan to privatize the financially-troubled Air-Liberia and to negotiate with foreign firms for the expansion of the Roberts International Airport. The construction of tourist resorts nationwide is also being considered.

Disclosing this in an interview recently at his Executive Mansion office, the Director of the Cabinet, Dr Peter L. Naigow, said if all goes well, the privatization of the Air-Liberia will take place within the next 60 days.

He told the NEW LIBERIAN that interested foreign firms have already expressed their willingness to settle salary due employees of the airline as well as to train qualified Liberians to effectively man operations of Air-Liberia which is expected to become an international carrier.

According to Dr Naigow, salary arrears due employees of the airlines for the last six months estimated at \$210,000 will be paid by the unidentified foreign firm by the middle of this February.

Under the package being negotiated, government will relinquish its bilateral landing rights with 26 countries to the foreign firm which is expected to train a work force made up largely of Liberians, he said.

/9317
CSO: 3400/971

MOZAMBIQUE

BRIEFS

THREE-WAY ACCORD--Under a trilateral agreement which also involves Britain, Zimbabwe is to provide Mozambique with 14,500 tonnes of white maize, paid for and transported at London's expense to the provinces of Gaza, Sofala and Inhambane. Another agreement was concluded by the three states a few months ago in a totally different field. It provided for Mozambican troops to be trained in Zimbabwe by British military advisers. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 11 Jan 86 p 7] /9317

FIRST OIL WELLS--The Amoco oil company is preparing to sink its first off-shore "wildcat" well in the Zambezi delta, where in October 1984 it acquired exploration rights covering a 21,000 square kilometre area which the American company sees as highly promising. Esso will also begin wildcat test drills in the first quarter of 1986 in the Rovuma region bordering on Tanzania. The firm has already carried out a seismic survey in the 13,000 square kilometre block it leased in 1983. There has also been a speeding up of work towards exploiting the natural gas deposits of Pande in Inhambane province in the south-east of the country. East German and Soviet engineers are in charge. According to a seismic survey already carried out, this field could contain as much as 32 billion cubic metres of gas. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 11 Jan 86 p 7] /9317

CSO: 3400/973

NIGERIA

DEFENCE MINISTRY REQUIRES FUNDS TO COVER PLACED ORDERS

Kano THE TRIUMPH in English 6 Jan 86 p 9

[Text] The Minister of Defence, Maj-Gen Domkat Bali, has said in Lagos that the ministry still had to find money to honour its commitments on some capital defence projects.

He said in an interview with the News Agency of Nigeria (NAN) that the projects include the naval dockyard, military storage facilities and hardware for which orders had been placed.

Maj-Gen Bali said that he would make proposal to the president to provide money from the economic emergency recovery fund for the completion of these projects because the recurrent allocation was "already so tight that it would not be juggled to provide funds for these strategic projects."

The minister pointed out that, apart from the fact that the Ministry of Defence had more personnel, infrastructure and equipment than any other single ministry, there was a limit to which defence budget could be cut.

He said that the Nigerian public should have a better perception of defence matters, pointing out that in defence systems, "the man behind the weapon is more important than the weapon."

Maj-Gen Bali said that there was the need for members of the public to appreciate defence issues and problems, and suggested that the people should be mobilised into forming civil defence corps at the grassroots to beef up a reserve of the nation's defence.

He also suggested that communities at local level should practice the art of digging trenches to save themselves from air attacks and conduct evacuation exercises and how to allocate rations in times of crises.

The minister disclosed that the Defence Industries Corporation (DIC) in Kaduna was being expanded on a joint partnership with the STYR Assembly plant in Bauchi and some foreign firms for the manufacture of armoured personnel carriers and explosives.

The DIC at present produces the 7.62 range of arms and ammunition for the armed forces.

Maj-Gen Bali said that the ministry might explore the possibility of seeking private sector investment to finance the on-going expansion of the corporation in Kaduna.

/9317

CSO: 3400/969

NIGERIA

STUDENTS ENCOUNTERING DIFFICULTIES IN YUGOSLAVIA

Lagos DAILY TIMES in English 1 Jan 86 p 18

[Article by D. Obika]

[Text]

MOST Nigerian private students in Belgrade are "catching hell" and "seeing red" over the delay in having their approved remittance sent to them. Some have been insulted and kicked out of their apartments, while others have had their lights turned off by irate landlords.

Among those affected is Godwin Nyeche, a private medical student at Belgrade University. He and his wife, who live in Belgrade, are from Rivers state and their bank is the First Bank of Port Harcourt. Mrs. Nyeche returned to Nigeria in November, 1984, early enough to start pursuing her remittance for tuition, room and board for the 1985-86 academic year.

She returned to Belgrade last April after her remittance had been approved by the Central Bank and she was told that it would be sent to her in about a month's time. She is yet to see the money.

Mr. Nyeche, himself, was forced to return to Nigeria in August to work on his own remittance and also inquire about his wife's. He also returned to Belgrade

after having it approved by the Central Bank in Lagos and obtaining a promise that he would receive the money in no time.

"Here is a letter from my father telling me that the money has not even left the First Bank of Port Harcourt" Mr. Nyeche told this writer in Belgrade last November. He said: "My father wants me to come back home and start all over".

Mr. Nyeche leaves Belgrade this month for Nigeria to pursue the matter for the second time. Still, that's not his main problem. His chief concern these days is his landlady.

Mr. Nyeche, who owes his landlady more than six months rent, said she called the police two weeks ago and wanted to throw him out of the house. "She cut

off my light about three days ago", Mr. Nyeche said. "I don't blame her".

With Mr. Nyeche off to Nigeria, his wife is to move out of the house to squat with friends to avoid any altercation with the landlady. "By the time we get the remittance, we would have spent one third of it in shuttling back and forth to Nigeria", said Mr. Nyeche. Both are entitled to six thousand dollars each.

Another student, who is also returning to Nigeria is Adiele Ogbonda, whose remittance was also approved by the Central Bank in April. Since the beginning of December, about five students have left Belgrade for Nigeria because of the same problem.

But private students are not the only ones with

problems. About three Nigerian students on Kaduna state scholarships who finished their course work, cannot defend their theses because they are owing their universities one year's tuition fees. The three came to Yugoslavia in 1981. They are Abdullahi Bako, an irrigation engineering student at the university of Belgrade, Abu Muazu Ruman, and animal husbandry student in the province of Vojvodina, and Osman Tanko, a civil engineering student in Osijek, the Republic of Croatia.

The Nigerian embassy is aware of their plight and has sent a letter on their behalf to the secretary of the Kaduna State Scholarship Board. The embassy also sent a letter to the First Bank of Port Harcourt on behalf of Mr. Nyeche and his wife. (NANFEATURES).

/9317

CSO: 3400/969

NIGERIA

THIRTY PERCENT IMPORT LEVY IMPOSED

Lagos DAILY TIMES in English 3 Jan 86 p 1

[Text]

A CONSOLIDATED import levy of 30 per cent is to be imposed during the current financial year.

With this development, the present beneficiaries will be compensated as follows:

Nigerian Ports Authority, five per cent; raw materials development, one per cent; and Nigerian Shippers Council, .02 per cent.

Finance Minister, Dr. Kalu I. Kalu said the "remaining 23.98 per cent of the levy will yield a revenue of about \$900 million which will be devoted to strengthening the programme of non-oil export promotion and export incentives."

Meanwhile, import licences that are valid for foreign exchange will now be issued for a 12 month period so as to allow manu-

facturers to plan their supplies and production ahead.

Payments

To prevent a bunching of foreign exchange payments and to eliminate the accumulation of trade arrears, licences will be utilised on three-quarterly instalmental payments over the one-year period of the validity of the licences.

As by President Babangida announcement, 53 per cent of foreign exchange earnings is allocated to the private sector imports by governments and parastatals while two per cent is allocated to contingencies.

In addition, licences not valid for foreign exchange will be issued to importers who can provide their own foreign exchange funds.

/9317
CSO: 3400/968

NIGERIA

NEW INCENTIVES FOR EXPORT OUTLINED

Lagos DAILY TIMES in English 3 Jan 86 p 1

[Text]

INCENTIVES are to be provided to aid production for export.

This step is to diversify the sources of foreign earnings and to reduce the excessive dependence on the export of crude oil.

The incentives are:

- Import duty on raw material used for the production of export products shall be refunded to the exporter;

- Excise duty paid on export manufactures will be refunded;

- Raw materials imported for export production will be exempted from import levy;

- Generous import licences will be granted for import of raw materials required for export products.

- Exporters will be allowed to retain 25 per cent of the proceeds of foreign exchange earned from export in their foreign currency account with Nigerian banks. This amount can be utilised to import additional raw materials to meet export orders;

- Government will provide support services to entrepreneurs seeking new export markets;

- Assistance on export costing and pricing will be provided by the government. A committee consisting of the federal ministries of finance, national planning,

industries and trade, export promotion council and the Central Bank will be constituted to determine export costing and pricing in each case;

- In principle, exports of some commodities prohibited in the Finance Act No. 2 of 1981 as amended will be permitted on export licence;

- Export licencing procedure will be liberalised and simplified;

- Finally, Export Credit Guarantee and Insurance scheme will be made operational during the 1986 fiscal year.

/9317

CSO: 3400/968

NIGERIA

TRANSPORT RESPONSES TO FUEL INCREASES

Agreement Pending

Lagos SUNDAY TIMES in English 5 Jan 86 p 16

[Article by Dan Egeonu]

[Text]

THE Nigerian Transport Owners Association (NTOA) yesterday came up with a recipe to solve the deadlocked transport fare rumpus.

The grand-patron of the association, Alhaji S. A. Barma, said members should cut down their delivery charges from drivers by about 20 per cent, as a sacrifice to the nation for the 20 months promised the President, "at this moment of economic state of emergency."

He appealed to transport owners at a news conference yesterday saying: "If you used to collect N50 from your drivers for instance, you should cut it down to N40 within this period."

There had earlier been contradictory statements from transport owners association and the National Union of Road Transport Workers (NURTW) regarding increase in transport fares following the increase by almost 100 per cent in the price of fuel.

While transport owners pledged to the Federal Government not to increase fares, members of the NURTW maintained that they had no choice but to increase fare in order to meet delivery charges of transport owners. Commuters in Lagos had during the week resisted the fare increase.

Fuel

Alhaji Barma said that "any attempt by any transporter to use the fuel price increase to increase transport fares astronomically bothers or selfishness" and is an offence since the person will be breaching the transportation association's rules and regulations not to unilaterally increase transport fares in the country.

Alhaji Barma however said that the good intentions of the transporters' association will be abused if government does not move swiftly to regulate fares charged for various routes. He said "the adoption of transport fares

control device may not have the impact it should if the law enforcement agency fails to render the necessary assistance to the association."

The NTOA had earlier held meetings with National Taxi Owners Association, Lagos State Road Transport Employers Association and other related bodies to sort out the transport fare issue.

The Lagos State branch of the Road Transport Employers Association of Nigeria in a similar reaction yesterday appealed to all its members to exercise restraint and desist from embarking on any action that could embarrass the Federal Government.

Price

The acting general-secretary of the association, Mr. Samuel Banwo in a statement said a meeting of the executive committee of the association was being summoned to discuss issues relating to the fuel price increase. He appealed to members not to raise transport fares but continue to charge former fares.

Mr Banwo also hinted that his association was considering cutting down on daily delivery charges from drivers as a way of sacrificing for the nation's hard economic period.

Meanwhile, there were indications at the week-end that transport fares that shot up during the week in Lagos and other states have been dropping following public outcry.

Kaduna Threatens Strike

Kaduna SUNDAY NEW NIGERIAN in English 5 Jan 86 pp 1, 3

[Article by Murtala Opoola]

[Text]

THE Kaduna State Council of the National Union of Road Transport Workers, has threatened to back out of an agreement it reached with the Federal Government not to increase transport fares should fuel subsidy be withdrawn, unless certain proposals are met.

In a memorandum to the government, signed by its president, Malam Sulaiman A. Danzaki, the union noted: "With the withdrawal of 80 per cent subsidy on petroleum, a driver who previously filled his tank at the cost of say, 10 Naira a day shall now have to pay about 20 Naira for the same quantity of fuel."

The union said that a driver with an average earning of 50 Naira per day, would find that he has nothing left after a day's work, after he had paid 20 Naira for fuel, and made returns to the owner of the car.

"Already hundreds of drivers are trooping into our office, complaining of their inability to meet the demand of their employers", the union said, adding that "So far we have succeeded in holding them in check."

To lessen the burden of the withdrawal of subsidy, the union has called for selective application of new charges. It has suggested that vehicles of 9 tons and above should be

made to pay the new rates in full, while vehicles of lower tonnage and omni-buses should be made to pay reduced rates of 30-40 per cent.

The union said this would ensure cheap transportation for both vehicle owners and commuters.

It wants a monitoring body of experts and representatives of the transport industry to be set up all over the nation. This body should monitor the activities of oil marketing companies to check their excesses.

The union further noted that the Federal Government should involve the transport unions in the procurement and distribution of vehicles and spare parts. It added that the situation whereby some individuals or groups monopolise the sales of vehicle parts is cause for concern.

NURTW also wants the government to put pressure to bear on vehicle manufacturing plants to "give the dealership of vehicles to the organised transport sector."

The union believes that the practice whereby a Peugeot 504 station wagon is currently sold at over 24,000.00 Naira in the open market is too exploitative.

It noted that if the transport unions are included in its distribution channels, prices of vehicles would be stabilized.

New Fares Criticised

Enugu DAILY STAR in English 6 Jan 86 p 9

[Text] The new fares announced in Lagos by some bus and taxi drivers have been condemned as unwarranted by the Nigerian Transport Owners' Association (NTOA) and the Nigerian Taxi Drivers Association.

A communique issued at the end of an emergency joint meeting, the two associations reiterated their earlier promise to the nation that there would be no fare increases in the event of an increase in petroleum products.

They pointed out that officials of the National Union of Road Transport Workers who had earlier threatened to hike fares were not authorised to do so.

The grand patron of the NTOA, Alhaji A.G.S. BTTA, said that the federal government should muster all resources at its disposal to check all unscrupulous individuals who might constitute a threat to government's policies during the period of the economic emergency.

He said that members of the NTOA were "firmly committed" to their earlier promise to the government to make sacrifices individually and collectively in order to assist in the revamping of the economy.

A member of the NTOA's national executive council, Mr Obi Akwiwu, said that if bus drivers insisted on raising transport fares, the NTOA might not hesitate to use their trailers for the free transportation of workers in Lagos metropolis.

/9317
CSO: 3400/967

NIGERIA

BRIEFS

DUTCH TRADE, AID HIGHLIGHTED--Nigeria's exports to the Netherlands in 1984 were valued at ₦714.29 million, the Commercial Attache at the Netherlands Embassy, Mr Hans Van Nieuwkeok, has said in Lagos. He said that during the same period, Nigeria imported goods worth ₦142.86 million from the Netherlands. According to Mr Nieuwkeok, Nigeria's total exports to the Netherlands during the first half of this year was ₦571.43 million, while its imports from that country was ₦128.56 million. The Commercial Attache stated that oil still remained Nigeria's main export to the Netherlands, while his country had been exporting a variety of goods including machinery, chemicals and food to Nigeria. The Netherlands Ambassador to Nigeria, Mr Adrien Tieleman, said that his country disbursed about ₦1.5 million yearly as development aid to Nigeria. The ambassador stated that the Netherlands had since 1978 spent about ₦400,000 on small-scale industrial projects, the provision of health care facilities and drinking water. He further said that the Netherlands' government was disbursing 1.5 percent (₦2 billion) of its national income annually as development aid to Third World countries. (NAN) [Text] [Kaduna NEW NIGERIAN in English 30 Dec 84 p 2] /9317

CSO: 3400/968

SIERRA LEONE

BRIEFS

IDB FINANCIAL AGREEMENT--Freetown, 29 Jan (AFP)--Sierra Leone and the Islamic Development Bank /IDB/ based in Saudi Arabia, signed a financial and technical agreement on Wednesday worth about \$174,000, of which \$65,000 constitutes a gift, to enable preliminary studies on a road project in southeastern Sierra Leone. The agreement was signed by the Sierra Leonean finance minister, Amara Bangali, and the president of the IDB, Ahmad Mohamed Ali, who was in the country to attend President Joseph Momoh's inauguration. The construction of an 88-km road between Kenema and Zinmi should contribute toward the economic development of the country by making trade easier, as well as transportation on the national and regional levels. /Excerpt/ /Paris AFP in French 1127 GMT 29 Jan 86 AB/ 12228

CSO: 3400/980

SOMALIA

RUMORS OF TRIAL FOR POLITICAL PRISONERS

Paris THE INDIAN OCEAN NEWSLETTER in English 11 Jan 86 p 5

[Text] Inquiries by the INDIAN OCEAN NEWSLETTER have brought no confirmation of the report made by Amnesty International and broadcast by the BBC, that a trial of 33 Somali political prisoners opened in Mogadishu on December 25. Indeed, the rumours circulating in the Somali capital to this effect appear to have been deliberately spread by the government in the wake of the visit to Somalia of the Italian deputy foreign minister, Francesco Forte. He had reminded Somali president Mohamed Siad Barre of the latter's undertaking during the September visit to Mogadishu by Italian prime minister Bettino Craxi to put on trial at an early date a number of prominent Somalis who were being held in jail without process of law.

According to Amnesty International, the 33 political prisoners said to have been brought to court included four leading figures who were arrested in June 1982, namely former foreign minister and deputy speaker of parliament Omar Artheh Chalib, former health minister Omar Haji Mohamed, former president of the Somali academy of science and ex-information minister Mohamed Aden Sheikh and former finance minister Mohamed Yusuf Weirah. They are said to be currently being held in Mogadishu's National Security Prison, commonly known as "Godka" (The Hole).

Two other figures who were arrested at the same time and are known to be still alive, Ismail Ali Abokor, a former vice-president, and Osmam Mohamed Ghelle, were said not to be among those allegedly on trial. Several western countries, headed by Italy and the United States, as well as Saudi Arabia and the Inter-Parliamentary Union, have been pressing President Siad for a long time to agree to have them tried.

/9317
CSO: 3400/973

SOMALIA

BRIEFS

ITALIAN AID FOR NORTHEAST--Following a visit to Somalia (see ION No 211), Italian vice minister for foreign affairs Francesco Forte announced that his government had offered Somalia 108 million dollars to develop the regions of Bari and Sanaag in the northeast of the country. The money is to be used to provide water and energy to the regions and to improve transport facilities, largely thanks to donations of 103 heavy lorries and several helicopters and Fokker planes as well as aid in the construction of a new regional airfield at Bosaso. The planes will certainly be used by Somali Airlines, but the helicopters will probably be supplied to the police. During his visit, Mr Forte also inaugurated at Bosaso, capital of the Bari region located on the Gulf of Aden, work on a 450 kilometre road which will link Bosaso to Garoe, in the Nugal region to the south. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 4 Jan 86 p 6] /9317

CSO: 3400/973

ZAMBIA

DEFENCE MINISTER URGES VIGILANCE AGAINST RSA ATTACK

Lusaka SUNDAY TIMES OF ZAMBIA in English 18 Jan 86 p 1

[Text] MINISTER of Defence General Malimba Masheke said yesterday that members of the defence forces must be more vigilant and prepared to defend Zambia against South Africa's attack.

Speaking at a pass out parade of Zambia Air Force officers who completed advanced aircraft trades and radio operators courses in Mumbwa yesterday, Gen Masheke said the Pretoria regime had been placed in a desperate situation by the fighting cadres of the African National Congress (ANC).

Zambia expected the defence forces to maintain a high state of combat readiness because the enemy would stop at nothing in his bid to destabilise the nation.

This was evidenced by the situation inside South Africa which has now taken a turn for the worse following the intensification of the liberation struggle.

"This calls for increased vigilance and a state of preparedness if we have to defend effectively our motherland from unwarranted

attacks by the desperate and racist white regime."

He warned that anybody who failed to meet the stringent demands of discipline in the defence forces would be kicked out.

He called for patriotism and added: "This consequently entails that we must be loyal to the air force, the defence forces, the people of Zambia, the Party, the President and the Government."

The airmen must not feel complacent just because they had completed their course.

ZAF commander, Major-General Hananiah Lungu said the technical course started on March 18, 1983 and ran for two years. It consisted of basic and advanced phase.

He assured the minister that ZAF would remain committed to the cause of the struggle being waged by the oppressed people of South Africa and Namibia.

"There is a struggle for their birthright which requires our total support," he said.

/13104

CSO: 3400/985

ZAMBIA

GOVERNMENT ALLAYS FEARS ABOUT STABILITY OF KWACHA

Lusaka ZAMBIA DAILY MAIL in English 21 Jan 86 p 3

[Article by Patrick Fungamwango]

[Text] It is now over three months since Zambia adopted the unique system of auctioning foreign exchange. During this time, the exchange rate has fluctuated between K5.01 to K7 to one United States dollar.

This week, the auction exchange rate of the Kwacha has been pegged at K6.01 from last week's K5.86.

It is this "considerable" depreciation in the value of the Kwacha in relation to the dollar which is worrying importers and the public. Many are now wondering whether the much-talked about stabilisation of the exchange rate will ever take place if current trends are anything to go by.

The importers are worried about the diminishing power of the Kwacha because it means forking out more of it to be able to succeed to get foreign exchange from the Central Bank under the auction system. For the public, it means paying more for imported goods. Those who send their children to schooling abroad are also severely affected by the declining value of the Kwacha.

Only recently, the Commercial Farmers Bureau, in its official mouthpiece publication, "Productive Farming, commented that many expatriate farmers and others in key areas we-

re now faced with escalated school fees and transport costs and have to make agonising decisions about the future of their families.

The CFB added that it was hoped the pressure would not oblige farmers and others to leave Zambia, and that the exchange rate would soon stabilise at a better level.

The concern of the importers and the public is well founded but when analysed, their fear about the exchange rate not being stable are unfounded. A fluctuation of between K5 and K7 to a dollar in fourteen weeks should not raise eyebrows, especially that the exchange rate is being determined in an auction system.

From the figures released by the Bank of Zambia at the weekend, there were 234 bids and these ranged between K4.52 and K7.50 to a dollar. Out of these, 102 were successful and the new rate was set at K6.01. This means that the 132 bidders who did not make it last week are expected this week to bid at between K6.01 and probably K7.50.

So what has caused this sudden rise in the rate from K5.86 last week to the current K6.01 to one US dollar? The answer is simple.

When the auction started, there were many bidders chasing the little foreign exchange available (5 million US dollars) and this was reflected in the high exchange rate which at one time stood at K7 to a dollar.

However, this figure later went down to K5.70 to a dollar a few weeks later because most importers had received their goods and were in no hurry to bid for more foreign exchange. But now these same importers are running out of stocks and have to replenish them. This is why there are now more bidders quoting a higher exchange rate in order to succeed in obtaining foreign exchange. When most of them have received their stocks, which is in between four to five weeks, there will be less bidders again for foreign exchange. This will also result in bidders quoting lower exchange rates. The Kwacha at that time will be said to be gai-

ning against the dollar. A contributing factor in the improvement of the Kwacha value against the dollar will be demand for foreign exchange.

This pattern is likely to be maintained for most of this year and will only be broken when most of our companies attain full production levels and begin exporting on a large scale. Exports will mean more foreign exchange being ploughed back into the

auction system. More hard currency in the auction system will also result in bidders quoting for lower exchange rates like K3 to a dollar.

This is why leaders have repeatedly said that if local industries could start exporting their products, the present economic problems would be minimised.

The present fluctuation of the exchange rate at the auction of between K5

and K6 to a dollar could be said to be stable under the present circumstances. In fact, the situation would have been worse had the exchange rate been determined daily as in relation to other major currencies. Our exchange rate under the new system holds for a week until the next auction. This has been of great help to importers, although many do not realise it.

/13104

CSO: 3400/983

ZAMBIA

GDR DELEGATION ARRIVES FOR TALKS

Lusaka TIMES OF ZAMBIA in English 15 Jan 86 p 1

[Text] CHIEF Justice Annel Silungwe has called for the exploration of justice offered in Eastern bloc countries to balance knowledge.

He said cross-pollination of ideas was imperative for mankind and that Western-type of justice had been dominant in Zambia.

He made the call in Lusaka yesterday when deputy chairman of the Council of Ministers and Minister of Justice for the Germany Democratic Republic (GDR) Mr Hans-Joachim Heusinger paid a courtesy call on him.

"So far we have only been exposed to Western justice, but our knowledge would be incomplete unless we learn something from the other side," he said.

Mr Justice Silungwe hailed the exchange of visits and said they were one way of learning about the life of other people.

Mr Justice Silungwe explained that Zambia was doing everything possible to give women a chance of becoming High Court judges.

In reply, Mr Heusinger said his delegation was impressed with the reception they got in Zambia. Earlier, Member of the Central Committee and

Chairman of the Legal and Political Sub-Committee Mr Daniel Lisulo hailed the existing warm relations between East Germany and Zambia.

Speaking when Mr Heusinger called on him, Mr Lisulo hoped that East Germany and Zambia would strengthen their relations.

In reply, Mr Heusinger said he too was happy with the cordial relations between Zambia and his country.

The GDR pledged its continued support to Zambia.

Mr Heusinger made the pledge to Party Secretary General Zulu yesterday when he called on him at his office.

He said the GDR would always stand by Zambia in difficulty and in the battle against apartheid in South Africa.

He said Zambia's success was also his country's success and hence there was need to cooperate in finding solutions that afflicted the two countries and the world.

"You can count on us in your struggle against apartheid in South Africa," Mr Heusinger told the Party Chief.

The talks he had with officials in the Ministry of Legal Affairs had been fruitful and already a

foundation was laid for cooperation during the next decade.

Mr Zulu said Zambia believed in the independence of the judiciary even though the Party was supreme.

The presence of the GDR delegation was a further milestone in the strengthening of relations between the two countries.

Mr Heusinger and his delegation also met Prime Minister Musokotwane who called for stronger ties between both nations to improve the lives of their people and promote international peace and justice.

The premier said the Ministry of Legal Affairs was facing many problems which could be solved if cooperation between Zambia and the GDR was intensified.

He thanked the GDR for all the assistance it continued to give to Zambia. He said the Minister of Finance and Planning Mr Luke Mwananshiku and his counterpart in the Ministry of Commerce and Industry Mr Leonard Subulwa would soon leave for GDR.

The two ministers would look at areas of further cooperation between the two nations.

ZAMBIA

NEW LEGAL PROTOCOL SIGNED WITH GDR

Lusaka TIMES OF ZAMBIA in English 21 Jan 86 p 1

[Text]

ZAMBIA and the German Democratic Republic (GDR) have ratified a treaty on legal cooperation including the extradition of offenders in both countries.

A protocol agreement on cooperation was also signed to ensure close liaison between judicial authorities of both states. It will serve as a basis for intensifying the mutual exchange of information and experience in legislation, application of law and the training of lawyers.

Minister of Legal Affairs and Attorney-General Mr Gibson Chigaga and GDR deputy chairman of the council of ministers and Minister of Justice, Mr Hans-Joachim Heusinger signed the agreement in Lusaka yesterday.

Mr Chigaga said the treaty would enable citizens and legal practitioners of one contracting state to enforce claims against debtors and other people in the other country.

The treaty provides for the possibility of the arrest of an offender even before a formal application for extradition has been made.

Mr Chigaga said a

substantial part of the treaty advocated direct cooperation of the courts of both countries in civil, criminal and family matters through the Ministry of Legal Affairs and the Director of Public Prosecutions in Zambia and the ministry of justice and prosecutor-general in the GDR.

Mr Heusinger said negotiations for the treaty which begun last October were based on the common interest of Lusaka and Berlin in the struggle for peace and international security and against racism, apartheid as well as all forms of colonial and neo-colonial exploitation and oppression.

Zana reports that Zambia and Hungary yesterday signed a three year executive programme on the implementation of the cultural and technical agreement.

Minister of General Education and Culture Mr Basil Kabwe signed on Zambia's behalf while Hungarian ambassador resident in Tanzania, Mr Marton Szabo signed on his country's behalf.

/13104
CSO: 3400/986

ZAMBIA

WORKERS ON CONTRACT TO YUGOSLAVIA OFF TO IRAQ

Lusaka ZAMBIA DAILY MAIL in English 17 Jan 86 p 1

[Text] FORTY Zambians employed by Energoinvest of Yugoslavia in Lusaka leave for Iraq tonight to work on a power transmission line currently under construction, Labour Commissioner Musa Chitangala confirmed yesterday.

Mr Chitangala said the group was the first batch of Zambians to leave for the oil-rich Gulf state this year and another 60 Zambians would leave for that country next month.

Government has accepted the conditions of service for the Zambians, who would be constructing a multi-million dollar power line.

Already 100 Zambians are working in Iraq and they are expected back home soon at the end of their contract. The company started recruiting Zambians for the project in 1983.

The majority of the recruits are from the Kapri-Mpishi/Mpupu/Mpongwe

power transmission line project and were picked because of their experience.

Mr Chitangala yesterday said: "The Government has given clearance under the labour laws concerning foreign service. One of my assistants is attesting the contracts right now."

The workers will remit part of their pay home but Mr Chitangala refused to disclose how much they would earn saying: "It is quite substantial."

And Minister of Labour and Social Services Frederick Hapunda said multinational companies were free to send their Zambian employees abroad as long as they got government approval.

If people were recruited to work on legitimate projects abroad, there was no reason for the Ministry of Labour, trade unions and other authorities to stop them from going.

/13104
CSO: 3400/985

FOREIGN CURRENCY REQUIREMENT'S OUTLINED

Lusaka TIMES OF ZAMBIA in English 17 Jan 86 p 2

[Text]

ZAMBIA urgently requires about 400 million United States dollars a year in foreign aid for the next few years to carry out its economic adjustment programme.

This was the observation of bilateral and ten multilateral aid donors at an interim meeting of the consultative group for Zambia held in Paris, France, on December 17.

A World Bank statement released in Lusaka yesterday said the consultative group, chaired by the bank itself, reaffirmed its support for Zambia.

Zambia's economic aid needs come at a time when the World Bank and the International Monetary Fund (IMF) are facing a rigorous campaign in Western Europe condemning their economic measures said to be responsible for the widespread misery in the Third World.

The drive also demands both bodies to be abolished or their roles redefined. It is backed by a West German organisation Schiller Institute for foreign policy based in Hanover, which is co-ordinating preparations for a big conference set for February 2, in Paris, to expose the "unacceptable policies" of the two institutions.

The World Bank statement said representatives of the consultative group agreed that the economic

reform programme, if supported by the necessary financial resources, would bring about the structural adjustments needed in Zambia's economy over the long run while easing the financial difficulties.

And Zambia's medium and long-term debts increased by 47 per cent in 1984 while the country was not in a position to service its debts because of lack of foreign exchange last year.

The January issue of *Africa Economic Digest* (AED) attributes the increase partly to the accumulation of arrears and to loans contracted and disbursed which amounted to K960 million.

According to statistics medium and long-term debt shot up to K6,418 million from K4,361 million the previous year.

Zambia's growth in arrears is said to be alarming, reaching proportions where its position as regards debt servicing was not any better, given the very poor performance of copper prices.

ZAMBIA

REACTIVIZATION OF GOLD MINE DISCUSSED

Lusaka ZAMBIA DAILY MAIL in English 13 Jan 86 p 7

[Text] TWO Canadian companies are carrying out feasibility studies in Zambia to determine whether two gold mines abandoned during the Second World War in the Eastern Province could be reopened.

The companies which are both subsidiaries of T.A. International of Canada are Sunridge Mining Company and Shalimar Mining Company.

Permanent Secretary in the Ministry of Mines, Mr Kabuka Nyirenda, said at the weekend that Sunridge and Shalimar were interested in Velocity and Jessie Gold Mines respectively.

Jessie Gold mine is off the Great East Road around Sasala in Petauke. Velocity Gold Mine is also in the north-east of the district.

Mr Nyirenda said the two Canadian companies through their agents John Hollaway Associates of Zimbabwe had already collected samples from the mines to determine whether they could be reopened.

He expressed optimism that the results of the stu-

dies would be known soon.

"At the rate these people have been working it won't be long before they start mining the gold if they find that it is there."

He could not say why the gold mines were abandoned as there were no records to that effect.

"We only know that the mines were abandoned during the Second World War but we have no idea why they were abandoned," he said.

President of T.A. International Mr Bhikku Tanna when he was in the country last year said that Sunridge Mining Company would invest about K1.5 million into the mining of gold.

He had said the company had already obtained the licence from the Ministry of Mines. He did not say how much Shalimar Mining Company was likely to invest. At the moment investors are also being sought to prospect for phosphates in Petauke.

Mr Nyirenda also disclosed that T.A. International had been granted a permit to check the area east of Kabwe for iron deposits.

ZAMBIA

PRECIOUS MINERALS COMPANY RECORDS RECORD LOSS

Lusaka TIMES OF ZAMBIA in English 23 Jan 86 p 4

[Text] The Reserved Minerals Corporation, made a loss of K8,373,000 as at March 31, 1985 compared to K3,317, the previous year.

An RMC annual report attributes this to a low volume of sales because of poor production of gemstones.

After taking into account trading losses for tax purposes, there are no timing differences in respect of which taxation may have been deferred.

But the report says that with effect from April 1, 1984, the company had been exempted from equity levy until mining on a commercial scale has commenced.

It made a loss before tax of K3,005,159 compared with K758,545 in 1984 against a turnover of K109,045 and K31,793 respectively.

It clinched "unsecured loans" amounting to K5,600,525 bearing interest of nine per cent repayable in 1987 to 1991.

The loans included

K75,000 from Zimco, the parent company, bearing 11 per cent interest rate. Another specified loan from a company director is also unsecured, interest free and has no fixed repayment date.

The report which has since been tabled before the current parliamentary session says that the company's main activities during the year were the marketing of gemstones on behalf of various producers in Zambia through its subsidiary company, Kagem Mining, prospecting for and mining emeralds.

Two companies, Nkuralu Gem Prospecting company and Kagem had licences to mine emeralds and their production during the year was about 27,641 grammes.

Out of the total quantity of about 485,500 grammes sold on behalf of Nkuralu, about 15,900 grammes were gem quality while about 469,000 grammes

were of reject material.

About 10,700 grammes of Government stones were offered at the auction but only about 1,837 grammes were bought because of poor quality.

No emeralds were sold on behalf of Kagem because of insufficient stocks during the period under review. The emerald auction was attended by 20 buyers from different parts of the world.

Kagem sold 2,142 kilogrammes of amethyst for K159,894 during the year. Several enquiries could not be served because of low production.

Although there were companies licenced to mine tourmaline and aquamarine, no production was available for sale from them.

"The company (Kagem) made a loss of K275,000 on its marketing activities mainly because of the low volume of sales which was due to poor production of gemstones," the report says.

/13104

CSO: 3400/984

ZAMBIA

NAMBOARD LOSES MONOPOLY OVER AGRICULTURAL SECTOR

Lusaka TIMES OF ZAMBIA in English 18 Jan 86 pp 1, 15

[Text]

THE Government has abolished the monopoly status enjoyed by Namboard in the marketing of maize and fertilisers to cut costs and improve efficiency, President Kaunda has announced.

Opening the third session of the Fifth National Assembly in Lusaka yesterday Dr Kaunda assured the House that the Party and its Government would continue studying the problems affecting crop haulage with a view to streamlining the marketing system.

He cited low-key coordination between Namboard and cooperative unions as one of the major problems that adversely affected haulage of agricultural produce during the 1985 marketing season. Other setbacks were:

- Difficulties in procuring empty grain bags;
- Untimely acquisition of funds for Namboard to commence purchases of maize and the consequent slow rates of disbursements;
- Failure to clarify and sign agency agreements between Namboard and the cooperative unions on time;
- Impassable roads in some parts of Zambia resulting in delays in moving crops;
- Fuel shortages during the early part of the marketing season and;
- Difficulties in procuring trucks and inadequate supply of vital spares.

The President told the House yesterday that the decision to scrap the monopoly position of Namboard would "improve marketing efficiency and cut costs".

Under the arrangement which has just been discontinued, cooperative unions acted only as agents of Namboard and were paid commission.

But because of various problems cited by the President, crop haulage suffered last year particularly in the Northern Province.

The President reiterated that "the real and permanent answer to our economic problems is the

development of agriculture".

Agriculture was among the priority programmes and the strategy entailed boosting productivity to achieve self-sufficiency in food output, livestock and fisheries so as to improve

the overall food security situation.

The Government decided to make Namboard the sole collector of maize and distributor of fertiliser last January and the move was announced in Parliament by Finance and Planning

Minister Mr Luke Mwananshiku when he delivered the 1985 budget.

Mr Mwananshiku explained then that the move had been taken to ensure farmers were paid promptly for their produce to curb wastage which had characterised many marketing seasons in the past.

But the decision to give Namboard the monopoly was roundly criticised in several quarters including Parliament by those who felt that Namboard did not merit that status because of its past failure to cope with the task.

He commended farmers for responding favourably to a call for increased production, which had resulted in better yields of maize, soya beans, paddy rice, groundnuts, sorghum, barley tobacco and wheat.

The major problem Zambia was facing was that the country was so vast and the population scattered all over. That meant more financial resources were required to build the necessary infrastructure throughout Zambia.

"Thought of compelling our people to settle in given areas to ease the problems that we face today does not cross our minds because Humanism has led to Chapter Three of our Constitution.

"This means that both conceptually as well as in practice we cannot force the people of Zambia to settle where they do not like except through persuasion."

Other goals include increasing the contribution of agriculture to the Gross Domestic Product (GDP) and the diversification of the economy as well as stimulating and increasing production for exports and boosting agriculture's share in foreign exchange earnings.

It further aims at creating employment and income earning opportunities in rural areas as a means of countering the rural/urban migration.

IMPROVING

In addition, the agricultural policy aims at improving the infrastructure services which bear a structural link to productivity in rural areas and improving the standards of living and nutritional levels of rural dwellers.

He emphasised the importance of speedy and efficient utilisation of aid funds. He directed executing ministries to ensure that this was done to facilitate development.

"I'm confident that with the reorganisation in the Ministry of Finance and National Commission for Development Planning. There will be better coordination between the Government and aid donors leading to an improvement in aid utilisation."

He described mobilisation of external aid assistance as an area of crucial importance in view of the current foreign exchange scarcity.

Dr Kaunda thanked all foreign friends who had responded and continued to respond generously to all requests for aid.

On the economic front, Dr Kaunda warned Zambians to brace for more sacrifices and austerity measures to arrest economic decline which he described as a source of great concern to the Party and its Government.

"Although causing hardship to our people, these measures are necessary if we are to overcome the difficult economic situation facing us, especially on the external front."

He was optimistic the measures adopted over the

past three years, culminating in the introduction of foreign exchange auctioning, would prop up economic adjustment and restructuring and pave the way for quick recovery and sustained economic growth.

Dr Kaunda reiterated the cardinal principle of the 1985 Economic Crusade, which stressed improved economic performance while relying less on imports.

"Like the proverbial 'noble eagle' in its flight, I'm confident that under divine guidance, our nation will continue to soar over its prevailing economic and social problems in the spirit of love and unity."

Meanwhile, Parliament yesterday adjourned to next Tuesday to give ample time to MPs to study the President's address before commencing debate on the motion of thanks.

Moving the motion, Prime Minister Musokotwane said MPs needed time to carefully reflect on various points raised by the President so they could make "pertinent suggestions".

And Namboard has scoffed at allegations by the Millers Association of Zambia that it is responsible for the shortage of mealie meal because of inadequate supplies of maize.

Namboard acting general manager Major-General Charles Nyirenda said in Lusaka yesterday the millers' association should find a more convincing reason for the shortage of mealie meal because his organisation had not reduced supplies of maize.

Gen Nyirenda, who was commenting on charges by association chairman Mr Ephraim Chibwe that Namboard was giving inadequate supplies of maize, said he was "shocked" by the statement.

ZAMBIA

MEALIE MEAL CRISIS

Shortage Reported in Lusaka

Lusaka SUNDAY TIMES OF ZAMBIA in English 12 Jan 86 p 1

[Text] Where is the mealie meal which Lusaka millers are producing?

This is the question Lusaka residents are asking following a shortage which has hit the capital despite assurances from millers that normal production is going on smoothly.

A snap *Times of Zambia* survey yesterday revealed that no leading State shops — Mwaiseni, NIEC Stores and ZCBC — had stocked mealie meal for the past few weeks.

An Indeco spokesman expressed surprise at the shortage because National Milling Company had maintained its normal output.

"It is a surprise that there is no mealie meal in shops because National Milling has maintained its milling capacity of 180 tonnes of maize a day. We don't know who is causing this artificial shortage," he said.

As far as Indeco was concerned, there were no production problems at National Milling or Choma Milling and the question of a shortage should not arise.

— But workers at Choma Milling said output had been reduced to allow for annual plant maintenance work.

At EC Milling in Lusaka, workers said production was progressing normally.

But rumours doing the rounds in Lusaka say many traders were hoarding mealie meal in anticipation of price increases during the forthcoming Budget.

There was a stampede at Kaniwala second class trading area where two shops were selling mealie meal as women and children rushed there.

One woman said it was unbelievable that there should be a shortage of mealie meal in Lusaka because apart from National Milling there were many private millers.

On Tuesday, in Chililabombwe, Copperbelt Province political secretary Mr Musole Kanyungulu accused unscrupulous businessmen of being responsible for the shortage of mealie meal and other essentials.

Government Probes Situation

Lusaka TIMES OF ZAMBIA in English 16 Jan 86 p 1

[Text]

THE Government is probing the sudden scarcity of mealie meal to establish the source of the artificial shortage, Minister of Commerce and Industry Mr Leonard Subulwa said in Lusaka yesterday.

It was reliably learnt in the capital that the shortage had been caused by millers who were pressing for an increase in the price of the staple food.

Millers' representatives held a meeting last Friday with deputy secretary to the Cabinet in charge of finance Mr Francis Walusiku to negotiate for an increase. Mealie meal price is still controlled by the Government.

Mr Walusiku confirmed meeting the millers' representatives but declined to divulge details of their discussions. He referred further queries to the permanent secretary for Commerce and Industry Mr Fred Kazunga.

Commenting on the crisis which has hit the capital and other areas, Mr Subulwa said he had instructed the price control department to determine whether it was the retailers or millers who were hoarding.

He warned that the culprits, once discovered, would be dealt with severely in accordance with the law.

"We suspect it (the shortage) is speculative of the Budget. We have

instructed our people in the price control department to find out whether it is the retailers or manufacturers who have created the shortage," Mr Subulwa said.

Most shops in Lusaka, including State enterprises, recently ran out of mealie meal and could not replenish their stocks despite having made fresh orders which had not been delivered.

Consumers suspected that some unscrupulous traders were hoarding the commodity in anticipation of a possible price increase in the forthcoming Budget.

Mr Subulwa warned: "Nobody is allowed to hoard mealie meal or any commodity even for one night. If we enter somebody's warehouse and find

that it is full of mealie meal when there is a shortage, that person will be taken to court."

He said hoarding was a serious offence and culprits should not expect any leniency once they were caught.

A snap Times survey revealed last week that none of the leading State shops — NIEC Stores, Mwaiseni and ZCBC — had stocked mealie meal for the past few weeks.

An Indeco spokesman expressed surprise at the shortage because National Milling Company had maintained its normal production.

"It is a surprise that there is no mealie meal in shops because National Milling has maintained its milling capacity of 180 tonnes of maize a day. We don't know who is causing this shortage," he said.

As far as Indeco was concerned there were no production problems at National Milling or Choma Milling.

ZAMBIA

HIGH TOMATO PRICE SPARKS OFF DEMONSTRATION

Lusaka ZAMBIA DAILY MAIL in English 16 Jan 86 p 1

[Text] **MORE THAN 100 marketeers yesterday demonstrated in Kiltwe against high wholesale prices of tomatoes charged by commercial farmers.**

The marketeers, comprising mostly women, chased away tomato delivery trucks from Chisokone Market in the city centre in the morning.

Governor Shiyenge Kapini condemned the demonstration when he addressed the marketeers who had marched to his office at the Civic Centre.

The demonstration started when a farmer's truckload of tomatoes came to Chisokone Market.

The farmer told the marketeers that the price of tomatoes had been increased from K25 to K50 for a 17 kilogramme bag.irate marketeers forced the truck to speed off when they demanded reasons for the increase.

A commercial farmer who was at the market explained that the increase of the price of to-

mato was caused by the high cost of fungicides.

"This is rainy season and we have to keep spraying the tomato plants. With the high cost of fungicides we have had no choice but to increase the price."

However, the same farmer later reduced the price.

Commenting on the demonstration, Mr Kapini said it was painful for the consumer to pay such high prices for tomatoes.

He called on farmers to charge reasonable prices.

"It would be better to stay without tomatoes than to buy them at such high prices."

In Kasama, prices of charcoal have been reduced from K15 to K8 per 90kg bag following a compromise between the district council and charcoal burners.

The agreement was reached last week and the new price has already been effected after several months of discussion.

/13104
CSO: 3400/984

ZAMBIA

MARKETEERS BOYCOTT PRODUCE

Lusaka ZAMBIA DAILY MAIL in English 16 Jan 86 p 1

[Text]

OVER 200 Kitwe marketeers yesterday started a boycott of fresh farm produce from commercial farmers accused of over charging.

The boycott, sparked off by Tuesday's demonstration against high tomato prices, is aimed at forcing the farmers to reduce the prices of their produce.

Chisokone Cooperative Society chairman, Mr Benedicto Mupemba, said they had stopped buying produce from farmers who were over charging. The cooperative runs Chisokone Market in the city centre.

Mr Mupemba said the move was intended to protect consumers who could not afford to pay high prices of vegetables.

"All people must be able to buy something to eat. Prices must suit everyone," Mr Mupemba said.

Commercial farmers were making marketeers look like exploiters and yet the farmers were the one's to blame for the high prices.

"We have decided to boycott the produce from these farmers until they bring down prices".

Mr Mupemba said basically the growing of vegetables did not require foreign exchange, and if there was any involved, it was very little to warrant high increase.

He said the 250 members of the co-operative, had to continue the boy-

cott until prices were reduced.

"If they want to chase us from here, we shall go because all we are trying to do is help the ordinary people who cannot afford high prices."

Mr Mupemba said the council, which runs the market, should support the marketeers because it was in the national interest.

But reacting to the sentiments expressed by the marketeers, Mrs Jill Wright, secretary of the Copperbelt West Farmers Association, said the problem was among the marketeers themselves.

She said the increase in tomato price by some farmers had not been sanctioned by the association.

Mrs Wright said members of her association were selling their tomatoes at the old price.

Farmers who had increased the price were outsiders who were trying to cash in on the shortage of the commodity during the rainy season.

She explained that the district was at the moment getting most of its tomatoes from Mkushi farmers, whose prices she described as "reasonable".

Commenting on the boycott yesterday governor Shlyenge Kapini said he was happy the marketeers had realised that people could not be taken for granted.

ZAMBIA

FERTILIZER SHORTAGE THREATENS CROP YIELDS

Lusaka TIMES OF ZAMBIA in English 11 Jan 86 p 1

[Text]

CROP production in Zambia might suffer because of a reported critical shortage of urea top dressing fertiliser, it was learnt in Lusaka yesterday.

Member of the Central Committee in charge of Rural Development Sub-Committee Mr Reuben Kamanga confirmed the reports yesterday and said he was surprised that there should be a shortage.

Mr Kamanga said all areas throughout Zambia had been sufficiently supplied with all types of fertilisers.

"I am equally surprised at the reports which I heard on the radio. I will get in touch with Namboard to find out the truth," Mr Kamanga said.

The first report on the

shortage of the top dressing fertiliser came from Lusaka Province agricultural officer Mr Josias Lungu who was worried over the non-availability of the commodity in most Lusaka Co-operative Union depots.

Mr Lungu said because of the absence of urea the estimated yield of 700,000 bags of maize would not be achieved.

He appealed to the union to quickly deliver the required requisites and distribute the available fertilisers evenly to all depots before the planting season was over.

About two days ago Eastern Province Co-operative Union also reported the shortage of urea and appealed to authorities to correct the situation with minimum delay.

/13104
CSO: 3400/984

ZAMBIA

BRIEFS

LABOR LEADER ISSUES WARNING--Zambia will be haunted by perpetual fears of labour unrest unless the authorities remove measures which have impaired the ability of trade unions to bargain freely with employers. The warning was issued by Zambia Congress of Trade Unions (ZCTU) chairman Mr Frederick Chiluba to the organisation's general council meeting in Kitwe yesterday. Addressing delegates in the Mineworkers Union of Zambia (MUZ) conference hall at Katilungu House, he called on the Government to rescind some measures which, he said, were "more costly than strikes". Mr Chiluba charged that the existence of instruments 6 and 35, which barred strikes and free bargaining with employers would fall into unfair practices thus creating a stale industrial climate. [Text] [Lusaka TIMES OF ZAMBIA in English 12 Jan 86 p 1] /13104

GDR GRADUATES GO UNEMPLOYED--Sir, I am one of the GDR graduates, I graduated in July 1984 and until today I have not been able to find employment. I was doing electrical technology for three years. While in GDR we were promised jobs on return home by the then Permanent Secretary in the Ministry of Education and Culture, Miles Banda when he toured the GDR in 1982. Back home in 1984 we were interviewed by ZESCO in March 1985. Some friends were dropped and we were again interviewed in September for the second time and up to date nothing has been heard from ZESCO. We went to the Prime Minister's office to complain and nothing has been done on this issue. So the only alternative should be to send back the graduates to the GDR to work there, where they always lack manpower, or some authority should appoint a commission of enquiry into the affairs of these futureless young GDR graduates, so that such problems should not happen again. Andrew M. Ng'oma. P.O. Box 480018, Chinsali. [Text] [Luzaka ZAMBIA DAILY MAIL in English 10 Jan 86 p 4] /13104

SOVIET TIES ON UPSWING--Zambia and the Soviet Union should improve on their existing bilateral relations for the mutual benefit of the two countries, Soviet ambassador to Zambia Mr Veniamin Likhachev said in Lusaka yesterday. He noted that although the Zambia-Soviet relations had been dynamic over the past 20 years, there was still room for improvement. Opening a photo exhibition in Lusaka yesterday to mark the 27th congress of the Communist Party of the Soviet Union (CPSU) Mr Likhachev said the relations between Zambia and his country had not yet reached a climax. "If asked about our future cooperation I might say that so far we have not yet reached the upper limit of our cooperation. There is always room for improvement, particularly

in the field of culture and sports," he said. He said in accordance with the inter-governmental protocol of 1981, the Soviet side had agreed to supply land clearing machines and to send specialists to maintain them, but stressed that with more effort, the two countries could get better results. In terms of economic cooperation the Soviet Union had rendered technical assistance to Zambia to build 10 diesel power stations which supplied electricity to rural areas. "The Soviet specialists have drilled 375 water wells for the people in Eastern Province. "We have participated in equipping the school of medicine and school of mines at the University of Zambia," he said. [Text] [Lusaka TIMES OF ZAMBIA in English 23 Jan 86 p 7] /13104

CSO: 3400/988

SOUTH AFRICA

MARAIS SETS FORTH HNP'S POLITICAL, ECONOMIC DESIGN

Pretoria DIE AFRIKANER in Afrikaans 20 Nov 85 p 5

[Article: "HNP Wants to Clip Wings of Money Bosses: SA Not Marketplace for Exploiters"]

[Text] When the HNP comes to power it will strip the financial dictatorship that now reigns in South Africa of its power, says the leader of the party, Mr Jaap Marais.

Mr Marais was the main speaker at a large gathering at Kameeldrif, near Pretoria, at which the HNP's victory in Sasolburg was celebrated. Approximately 700 people attended the proceedings.

South Africa is not a market place for the foreigners and the exploiters, but a home for Whites and Afrikaners, Mr Marais said. Two wars of independence were fought and a political struggle was waged through two generations to make South Africa a republic again. Not only was the freedom of the two former Boer republics thereby restored, but the earlier colonies were also included in it.

"In this republic there is only one power that can rule: the people through the government. We cannot allow a financial dictatorship to reign in this country. If a political dictatorship is wrong, it is even more wrong that there is a financial dictatorship that consists of a tiny group that advance their own interests at the expense of the whole society and the whole country. That was one of the most important points on which the NP of Hertzog, Malan, Strijdom and Verwoerd clashed with the financial imperialism that saw South Africa's people as a field for exploitation for their profit.

"No one has the right to have so much financial power that he can enslave a society to his interests. When the day comes that the HNP takes over in South Africa, it will strip these forces of their power."

The HNP rejects the pressure for "change" and "reform," Mr Marais said. The HNP commits itself to struggle for what the Afrikaner has and what he is. This struggle is not just a matter of survival, but of victory.

There are great differences between races, and it is race that determines the culture of a people. That is why the culture of the Whites in South Africa corresponds with that of the Whites everywhere in the world. In just the same way the culture of Blacks all over the world corresponds because it is rooted in their race.

In South Africa, Mr Marais declared, the Whites live as a First World society alongside the Blacks as a Third World society. "We take our stand against South Africa being treated as a Third World country and the Whites being reduced to a Third World society." The Whites in South Africa are a part of White civilization and it will maintain itself, notwithstanding the charge of "racism."

Race consciousness must be kept strong in a country such as South Africa, the HNP leader said. That was why the NP had laid down segregation rules. These rules were not instituted because the Blacks were looked down on, but to bring it home to White and Black that they are not the same. It is only through resistance to racial mingling that meaningful development according to the policy of apartheid can take place. If people have no resistance to racial mingling, they will have no will to separate development.

Segregation rules, which are now being broken down by the NP, will have to be reimposed in South Africa, Mr Marais said. The White does not set himself up as great in relation to other races, but as small in relation to the diversity of Creation.

The HNP says there is a White South Africa where only the White man has the right to rule. The White will not permit himself to be cheated out of that right by a has-been government like the present one.

Mr Marais said that the HNP rejects outside interference such as that now again [being attempted] by the British Commonwealth. These countries should rather find a solution to their own racial questions and disturbances and not concern themselves with South Africa. The government has a duty to see to it that interference does not take place. The fact that the government does not prevent the outside world from interfering shows that it has developed a colonial mentality. South Africa is a free republic that gained its freedom through hard struggle. "We are not prepared to enter into a new colonial status again," Mr Marais declared.

12906/8918

CSO: 3401/66

SOUTH AFRICA

GOVERNMENT'S POWER-SHARING PLAN CRITICIZED

Pretoria DIE AFRIKANER in Afrikaans 20 Nov 85 p 4

[Editorial: "Power Sharing with Blacks"]

[Text] The "National" Party has built up a scandalous record of false assurances and broken promises in the years since the assassination of Dr Verwoerd. Whereas it was to the honor of the National Party of a Malan, a Strijdom, and a Verwoerd that it followed a straight path and that friends and enemies knew where they stood with that party, the party has subsequently acquired the stamp of twofacedness and unreliability.

The most recent evidence of this is the announced intention of the government to take Blacks into the President's Council and give them representation "at the highest level." This step is a grievous assault on the reputation of public life. Before the referendum on the constitution in November 1983 the "National" Party leaders repeatedly gave the assurance that Blacks would not be brought into the constitutional system of Whites, Coloreds and Indians. It was therefore on false grounds that they asked voters to vote Yes and it is an ugly stain on public life that a country's constitution should be played about with in so immoral a way.

Objectionable

The "National" Party cannot expect there to be the necessary respect for the government if the government has no respect for promises and assurances because promises and assurances touch on morality and if promises and assurances are broken or disregarded by the government, it cuts into the moral fabric of a society. It is a demonstration of high-handedness on the government's side that must have a corrupting influence on the society. When all is said and done, a government has a powerful influence through the example it gives, and if the government has no respect for moral values, no facet of society remains untouched by it. It is like the radioactive fallout of a nuclear explosion--within the radius of its range no one escapes. And the English proverb is still true: "The rot sets in at the top."

That is one of the objectionable aspects of this new shift in the politics of "reform." The other is equally objectionable and equally symptomatic of a political party that no longer has principles or values.

The inclusion of Blacks in the President's Council is the obvious first step in taking them into the power structure, no matter what a fourth chamber may be called or how it is disguised. The creation of another "chamber" with another number is not a matter for speculation. All that needs to be noted is that Coloreds and Indians were included in the President's Council as a first step and thereafter went straight into Parliament and the cabinet. There can be no logical reason to think that precisely the same will not happen with Blacks, especially when Mr P.W. Botha, Dr Gerrit Viljoen, Mr Chris Heunis and others have already declared that according to National Party policy there will be power sharing with Blacks on the highest level.

Power Sharing

It is true that the government has as yet given no indication of parliamentary representation for Blacks, but where it has been expressly declared that Blacks will be given a share in power at the highest level, it is self-evident that such representation in the cabinet must be linked to parliamentary representation, just as in the case of the Whites, the Coloreds and the Indians.

Let it be noted that the Blacks who are meant will be those outside the homelands and the national states. If there is to be any logic or permanence to the system of government, the black representation in Parliament will have to be in proportion to numbers, just as in the case of Coloreds and Indians. As things stand at present, the numbers will be greater than those of the Coloreds and Indians put together. Will there be any acceptance among Blacks if representation is on some other basis?

The weakening of influx control and pressure for its abolition must also be taken into account here. This means that increasing numbers of Blacks will find themselves outside the homelands and national states and will qualify for participation in the political system the Botha government has created and now wants to extend to Blacks. Then it will rapidly become a power struggle of numbers and since Mr P.W. Botha has already stated the new "National" Party policy to be a single citizenship in an undivided South Africa, the basis will have been laid for the demand for majority rule of the citizens of an undivided South Africa.

Naturally the "National" Party will deny it, just as it has denied countless other things and then done what it had denied it would do.

The "National" Party stands between the White nation and its future. The prime requirement is that the political groupings of Afrikaners dedicate themselves to putting this government out of office. It is the most important thing they have in common.

12906/8918
CSO: 3401/66

SOUTH AFRICA

PROGRESS IN LABOR RELATIONS

Pretoria BEELD in Afrikaans 23 Nov 85 p 10

[Editorial: "Labor Code"]

[Text] Two important developments took place on the labor front during the past week: in a historic decision the Industrial Court found that a mining company does not have the right to fire striking workers; and a big paper factory became the first South African company to sign the Sullivan code.

The latter undoubtedly took place under pressure from the company's American stockholders. This labor code--named after the clergyman who drew it up--has in the final analysis less to do with South African labor affairs than with American politics. It has half become the shibboleth of all those who for tactical reasons have to demonstrate that they are opposed to apartheid. Companies that don't sign it lay themselves open to tremendous pressure.

The decision of the Industrial Court shows on the other hand how vigorous South Africa's new system of labor relations already is. Black trade unions are taking part in the negotiating process with ever greater self-confidence and success, as the dramatic decrease in the number of strikes shows. Moreover, few strikes nowadays last longer than 3 days.

There are also signs that black trade unions are growing increasingly irritated with the array of foreign codes that try to prescribe how black workers in South Africa should be treated. Their view is that they are capable of looking after their own interests.

The danger is simply that local companies will perhaps later be expected to endorse codes like Rev Sullivan's, or their exports may perhaps run into strong political opposition.

One therefore wonders whether local employers ought not perhaps to draw up a South African code of their own, in consultation with the trade unions.

12906/8918
CSO: 3401/19

SOUTH AFRICA

WARNING TO NEW TRADE UNION ORGANIZATION

Pretoria DIE TRANSVALER in Afrikaans 3 Dec 85 p 8

[Editorial: "A Dangerous Game"]

[Text] There was a strong undercurrent of politics at the founding rally of a black trade union umbrella organization. Among other things it was said that COSATU [Congress of South African Trade Unions]--the new organization with a membership of nearly half a million--"one day" intends to take over the government, nationalize the mines, and, for the present, take the place of the banned ANC.

That South Africa's black workers would sooner or later organize themselves with a view to exerting economic and political pressure was to be expected. Indeed, it is unavoidable in a country where the economic forces include an organized labor force. The Afrikaner of the thirties and forties is an example of that process.

Now, with the awakening of the giant of black labor, one thing must, however, not be lost sight of. If the balance of economic and political demands is disturbed, there is usually chaos in industry. The British trade union movement showed this only too clearly when it was taken in tow by the radical elements--even the communists.

The idea that a worker's labor power should be a means to political extortion is a dangerous illusion. It tends rather to create dangerous conflict. If the recently founded COSATU wants to move in that direction, it will only damage the country's economy. And in the final analysis threaten the welfare of its members.

12906/8918

CSO: 3401/19

SOUTH AFRICA

NO FINANCIAL CRISIS IN BOPHUTHATSWANA

Pretoria BEELD in Afrikaans 25 Nov 85 p 4

[Article "By Our Political Editorship": "Neighbor State Is Not in a Money Crisis"]

[Text] The weakening of the value of the rand in relation to the American dollar is the main reason why Bophuthatswana is currently experiencing financial problems, but there is no question of the foremost independent national state being on the brink of bankruptcy.

That is the opinion of politicians in Bophuthatswana interviewed yesterday by BEELD in connection with a report in a Sunday newspaper that that country is headed for a "disastrous economic collapse."

It is reported that Bophuthatswana will have a budget deficit of between 575 and 875 million rands in the next financial year.

Mr Leslie Young, the country's minister of finance, told BEELD in a telephone interview that there is no question of a financial crisis in the country.

He conceded that the country suffers from the weak rand/dollar exchange rate in the same way as South Africa, especially where "overseas dollar commitments" are concerned.

"No one can dismiss the influence of the poor exchange rate today as unimportant." It affects tourism and trade, and if the drought of the past 4 years is added to this, it is bound to have a negative effect on the country's economy, he said.

According to Bophuthatswana's minister of state affairs, Mr Rowan Cronje, the country is not on the brink of bankruptcy and there is no question of it being unable to repay its external debt.

There are certainly certain projects for which money is borrowed overseas, but it is paid back, he said.

A source in the government who wishes to remain anonymous said on enquiry that a cabinet committee continually monitors the situation. The decision to make cuts has already been taken and there will be no further development in the current financial year.

There is, however, no question of the country experiencing a crisis that will bring it to a standstill, he said.

In the interim a spokesman of the Department of External Affairs confirmed that a delegation from that department is going to Bophuthatswana today for "bilateral discussions" on matters of common concern.

The delegation is headed by Mr Chris Strydom, the man in that department responsible for the transfer of South African funds to Bophuthatswana.

The spokesman said that discussions of this kind take place regularly between the two countries. Among other things attention will be given to the economic situation.

12906/8918

CSO: 3401/19

SOUTH AFRICA

CALL FOR SELF-SUFFICIENCY

Johannesburg DIE VADERLAND in Afrikaans 27 Nov 85 p 12

[Editorial: "People Going Hungry"]

[Text] Disturbing developments on the economic front indicate further hardship for South Africans in 1986, despite attempts by the government to stimulate the economy. Indeed, precisely these attempts may contribute to causing the inflation rate to rise to a destabilizing 20 percent.

It is also becoming clear that even white impoverishment and hunger is increasing on a scale that recalls the Great Depression. There is a case to be made for thorough investigation of this problem.

To the extent that our economic crisis is seen as the result of foreign sanctions, white--and later even black--feelings toward our Western "friends" are going to harden. This may brake the momentum of reform because it may be perceived as an attempt to please those countries that are punishing us economically. And it will be a great pity if the government is handicapped in this way.

Although external pressure does play a part, we must in all honesty also recognize our own responsibility and that of the government for our sufferings. And take the drought into account.

There is no instant solution for unemployment, poverty and hunger. One obvious way is to buy as few imported goods or goods whose price is influenced by imported components as possible. We must become as self-sufficient as possible in as many areas as possible.

The small farmer who in times of need could fall back on a subsistence economy is a small percentage of the industry. But individual measures toward self-sufficiency such as growing one's own vegetables and even mutual barter can contribute to relieving want.

It is also a time for the spirit of individual enterprise to supplement incomes through home and backyard businesses. And those who are fortunate enough to have work absolutely must understand that salary increases without correspondingly greater productivity are the greatest threat to their job security.

Finally, it is a time for compassion in which those who have must think with charity of the have-nots. Even we as Whites will have to link hands if we want to survive this difficult time and this attack.

12906/8918

CSO: 3401/19

SOUTH AFRICA

TENSION GROWING IN RURAL BLACK TOWNSHIPS OF EASTERN TRANSVAAL

Cape Town CAPE TIMES in English 17 Jan 86 p 7

[Article by Phillip Van Niekerk]

[Text]

JOHANNESBURG. — Tension is growing in the rural black townships of the Eastern Transvaal Lowveld, the scene of several violent clashes between the police and residents since new year.

Residents of five Eastern Transvaal townships — those at Watervalboven, Carolina, Belfast, Piet Retief and Ermelo — are refusing to pay rent increases and school-children are boycotting classes in several more townships.

Violent clashes with the police have occurred in Watervalboven, Belfast and Carolina since new year and tension is high.

Slogans on the burnt-out Development Board offices in the township of eMgwenya outside Watervalboven say: "Remember July 9".

That was the day last year when residents demonstrated in anger over rent increases.

By the end of that day, every Development Board building and the community hall had been razed.

eMgwenya is one of the oldest townships in the area, with shaded, tree-lined streets, but the houses are small and crumbling.

Watervalboven is a railway town and the only employment is on the railways, as domestic workers in the town or as migrant workers in Johannesburg, returning at weekends.

People grow maize in their backyards but the general impression of the township is of a ramshackle slum, tucked out of sight from the tourist stopping point only a hundred metres away.

The whole township is served by two tennis courts, two soccer fields and a few rusty swings.

The rent issue has been simmering since 1981, when members of the community formally asked the community council to resign. Today only two out of the six councillors are still in office.

A community worker, who was scared of being named, said: "We pay more rent than any of the townships around here for these tiny three-roomed houses. We pay R42 for mud houses with cracks in the wall."

Matters came to a head when, instead of the demands being met by lowered rentals, rents were increased twice last year, and the explosion of July 9 followed the second increase. Since then, no one has paid their rent.

The chief director of the Eastern Transvaal Development Board, Mr M J Jonker, the only person at the board who is allowed to speak to the press, has declined to comment on the growing rents crisis.

A Development Board official blamed the crisis on "agitators

coming from outside to make the townships ungovernable". He said: "We had such plans for the township, but they all went up in smoke."

The residents of Watervalboven and of Belfast insist, however, that their anger has nothing to do with outsiders, but at what they see as the heavy-handed police reaction to their protests.

On New Year's Eve police opened fire on children in the streets of eMgwenya, injuring several and leading to the arrest of 12 of them, who have been charged with public violence.

In Belfast, 12-year-old Ren Masango was shot dead and several

children were injured in clashes with the police last week.

A 14-year-old and four 15 year-olds are still in jail in Watervalboven after an urgent bail application was refused this week, creating even greater anger in the close-knit community.

The father of two of the children being held, Mr Timothy Ngwenya, a schoolteacher, said: "I know these days that the children seem to believe more the things they hear in the street than the things their parents tell them.

"But how can they just hold children on grounds of suspicion? If there is something they have done, they must charge them properly."

/9317

CSO: 3400/962

SOUTH AFRICA

LEKOA TOWN COUNCIL STOPS ELECTRICITY CUTS

Johannesburg SOWETAN in English 17 Jan 86 p 4

[Article by Themba Molefe]

[Text]

THE Lekoa Town Council stopped electricity cuts in its townships and has promised residents this will not be repeated.

This comes after a call by businessmen in the Vaal Triangle for the council to start negotiating with them to resolve the crisis in the townships.

Town secretary Mr Ben Scott yesterday said the council hoped residents would start paying their electricity bills.

He said there would not be any more electricity cuts.

In December, Mr Scott said, electricity arrears exceeded R600 000. The total amount since the boycott began in September 1984 is about R6-million.

Mr Scott also said the decision to stop switching off electricity came after several residents had said that they were willing to pay up provided they received elec-

tricity. The civic association also approached the council, he said.

Mr Phillip Molefe, spokesman of the Sharpeville Civic Association, denied his group approached Mr Scott. He said residents stood by their demand that rents be reduced to R30 a month.

Vaal businessmen have also denied talking to the council.

Hardest hit were traders who suffered losses because they were forced to close their shops earlier as a result of the power cuts.

Owner of the Rainbow Restaurant in Zone 3, Sebokeng, Mr Baker Nhleko, lost about R10 000 when his shop caught fire after a power cut on Wednesday at about 1am.

/9317
CSO: 3400/962

SOUTH AFRICA

FORT HARE STUDENTS EXPELLED

Johannesburg SOWETAN in English 17 Jan 86 p 4

[Text]

THE University of Fort Hare has expelled a number of "student activists" apparently in preparation for the take-over of the university by the Ciskeian Government.

Azaso, the Azanian Students Organisation together with the Fort Hare Interim Student Representative Council, this week resolved to send a delegation of parents to hold talks with the rector, Professor J Lamprecht, over the expulsions.

The meeting resolved to approach the Soweto Parents Crisis Committee for help.

The Ciskeian Government takes over Fort Hare this year.

Azaso said it would get in touch with other students where "at the end a common ground and strategy can be reached." Azaso general secretary Mr Chris Ngcobo said.

A spokesman from the university yesterday declined to comment saying "that the matter can only be answered by the rector who will be back on January 17."

The delegation intends meeting the rector before the reopening of the university on February 20.

/9317
CSO: 3400/962

SOUTH AFRICA

BLACK SCHOOLS LANGUAGE PROJECT LAUNCHED

Johannesburg THE STAR in English 21 Jan 86 p 9

[Text]

A pilot project organised by READ Educational Trust to boost the teaching of English and Afrikaans in black schools begins this year.

"A lack of language competency is one of the greatest problems in black education. If pupils cannot understand the official languages in which the examination is written, is it any wonder that the results are so poor?" said READ national director Mrs Cynthia Hugo.

Forty teachers from eight Highveld schools will attend workshops, training sessions and seminars. These will cover the use of the library in the enrichment of language teaching and the pupils' background and its role in research and study.

The teachers will also be trained in the evaluation of fiction for high school pupils and in the use of the library to promote debating, public speaking, drama, poetry and writing.

The project was made possible by a R45 000 donation from Gencor. "It will upgrade the teaching of English and Afrikaans in schools as well as the ability of black people to use the two languages," said Mrs Hugo.

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IN THE ATTENDANCE

SOWETAN YOUTH BEAUTIFY PARKS

Johannesburg SOWETAN in English 17 Jan 86 p 9

[Article by Sy Makaranga]

[Text]

THE roller-skate craze and the BMX cycling madness have come and gone.

The in-thing in the dusty townships of Soweto these days, is the "Green Revolution" which has seen the mushrooming of play parks at almost every open space available.

Fly-infested rubbish dumps, which were not only an eye sore, but a health hazard, started to disappear into thin air, as the "revolution" gained momentum.

The dumps were replaced with colourful and well adorned parks built by enthusiastic youths who were committed to beautifying their environment.

Boycotts

It all began towards the end of last year - at the height of school boycotts and a spate of revenge killings which have always been attributed to the school children.

An Orlando East pupil, who wished to remain anonymous, said the youths were obviously tired of being labelled trouble-makers and anarchists and to be "called all sorts of names", but wanted to show the community that they could make "useful contributions" where they lived.

If someone is stoned to death, it's the school children. If someone is burnt alive, it's the school children again. By building these parks, we wanted to show everybody those allegations were not always true.

"Even now, the tsotsi-element has crept into our cause. This is the element that causes a lot of hardship and agony," the youth said.

Unlike roller-skating and the cycling crazes, which only brought nightmares to Soweto motorists, the parks development projects have

received a tremendous amount of community support.

Some of the people who showed appreciation for the projects, include Mr Gibson Kente, well-known Soweto playwright, and Mr Kitso Makume, an Orlando East businessman, who have given the youths financial assistance.

Soweto tycoon and mayor, Mr Ephraim "E1" Tshabalala, has promised to give away R200 in prizes for the best parks.

Private companies also seem to be looking at the projects with keen interest. Already, a tool company has donated R3 000 worth of garden tools to the National Environmental Awareness Council (NEAC), which, according to its director, Mr Japhta Lekgetho, is the source of inspiration to the youths.

Tools

Mr Lekgetho, popularly known as "Mr Clean", said at the presentation of the tools, that youths who were building their own parks in the townships, would be welcome to use the tools.

He said the parks projects started to sweep like wild veld fire after a group of pupils from Phiri came to him for advice.

The names of some of the parks say a mouthful in the society that is economically, politically and socially deprived. There are names, such as "How Long Park", "Lazobuya Park", "Freedom Park", "Sisulu Park", "Mandela Park".

To break the monotony, some youths have named their parks after musical groups, like "Stimela", cigarette brands, like "JPS" and "Marlboro" and songs, such as "Skorokoro". And for sheer variety, there is also "China Park" and "Lover's Park".

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SOUTH AFRICA

LESOTHO BORDER SITUATION DISCUSSED

MB171324 Johannesburg Television Service in English 1800 GMT 16 Jan 86

[Interview with Neil van Heerden of the Department of Foreign Affairs in Pretoria; Willie Breytenbach, professor of African Studies at Stellenbosch University in Cape Town; and Professor John Barratt, director of the South African Institute of International Affairs in Johannesburg by John Bishop on the "Network" program--live]

[Text] [Bishop] Joining us now from Pretoria is Mr Neil van Heerden of foreign affairs, in Cape Town Prof Willie Breytenbach, and here in Johannesburg Prof John Barratt. Professor, we will be coming to you in a moment to talk about the international situation. Let's go first of all to Pretoria and ask Mr Van Heerden about the very latest situation, what is going on with Lesotho-South Africa, the internal situation in Lesotho. What is going on?

[Van Heerden] We have had many conflicting reports during the past 24 hours and I am afraid it is not clear at all what the position is in Lesotho and I would prefer not to comment at this stage.

[Bishop] You can give us nothing more than that?

[Van Heerden] I am afraid I cannot, because the reports are conflicting and we are really not in a position to make out exactly what is going on.

[Bishop] But just pressing you a little bit, the reports of the coup--are they true or false?

[Van Heerden] There have definitely been activities by the Lesotho Paramilitary Forces--what exactly they were aimed at is not quite clear, but there were military activities in Maseru late yesterday and there were talks with the prime minister by leaders of the Paramilitary Force. We know that in the past there has been some unhappiness between the Paramilitary Force and the Lesotho Youth Brigade which has been committing, allegedly committing, armed violations or acts of armed activities in Lesotho and the Lesotho Paramilitary Force has on various occasions expressed its unhappiness with this. We suspect that this has something to do with their current crisis but what exactly the situation is at the moment is not quite clear. I am sorry we have no more clarity on that.

[Bishop] Can we talk a little about the situation between the borders? Now we know that South Africa is slowing down the traffic. What about reports of the Taiwanese people streaming across and so on?

[Van Heerden] We have been told that some citizens of the ROC have crossed the border into South Africa from Lesotho. What the reasons for their leaving Lesotho is not clear. As regards the position on the border generally we... [changes thought], as we have seen in the introductory part there has been since the beginning of January restrictive border control measures between South Africa and Lesotho which has resulted in a slowdown of traffic, but I want to emphasize that the border is not closed as far as South Africa is concerned.

[Bishop] We will come back to that point in a minute or two, Mr Van Heerden. Let's go down to Cape Town now. Prof Breytenbach, a very brief historical perspective. Chief Jonathan came to power in 1970 and there was a question mark over the way he came to power.

[Breytenbach] Not nearly correct, Bishop. He came to power in 1965 which was the last day and date when Lesotho had a valid multiparty competitive election. The ruling party then, which is still the ruling party now, was led by Chief Jonathan, that is the Basotho National Party [BNP] and it scored a very slight victory in the election of 1965 when he captured 31 out of the 60 seats in parliament. In 1970, on 27 January 1970, 4 years after independence, it had its first postindependence elections and what happened then was that ostensibly the BNP lost the election and before all the results were made known Chief Jonathan then invalidated the election results, he suspended the constitution, he declared a state of emergency, and he sent the king on a holiday to the Netherlands where he remained for almost a year until the end of that year. Now there were then some pressures on the Lesotho Government by first the British Government. It had to do with development aid that forced the government of Chief Jonathan to introduce a National Assembly again in 1973. That was a National Assembly with nominated members and the BCP, the Basotho Congress Party, that had essentially won the election in 1970 were only given 23 out of the 60 seats and therefore it was not acceptable to the leader of the BCP, Mr Ntsu Mokhehle. The next conciliatory stage came in 1975 when two members of the opposition parties, one each of the Basotho Congress Party, Mr Gerard Ramoreboli, and one from the Marema Tlou Freedom Party were taken into the cabinet, and this is more or less the situation since then. So Lesotho has been independent now for 20 years. It had its last competitive elections 21 years ago. It was supposed to have an election last year but it was called off because the opposition parties alleged that there were irregularities as far as the electoral procedures were concerned and then the election, which was supposed to take place in September last year, actually never took place.

[Bishop] Thank you very much for that, Prof Breytenbach. Prof Barratt, what is the international situation with Lesotho now bearing in mind the irregularity of Chief Jonathan's position and so on? I mean it's made no difference internationally, has it?

[Barratt] Well, I don't think so although I don't think one can say that the credibility of Chief Jonathan's government as it is very high, but certainly as an African state and a member of the OAU and so on, yes, it has an international role to play, but unfortunately it is difficult to assess this objectively because when we have the political problems, as far as South Africa's international position is concerned, there is a tendency to give the benefit of the doubt to the other party when the South African Government is in the situation like this, which complicates any objective assessment of the international position.

[Bishop] No, as I see it Lesotho has relations with the East and West. What is Chief Jonathan's international thrust would you say?

[Barratt] I think it is very confused and I think part of this is a result of what has already referred to and that is the divisions within the political setup in Maseru. I think one has to appreciate this is a very small setup. Without attempting to be demeaning or making remarks that are not very flattering, one must look at this as almost a village politics situation. The nearest comparison would be a similar situation in Windhoek where the population of the country is only 1 million. We are talking about a very [word indistinct] political system with a lot of divisions, personal rivalry, and so I think one must say that some sort of power play is going on at the moment.

[Bishop] But after that overlay of information can we go back to Pretoria. Mr Van Heerden, you mentioned that the border control--some people have said that in fact this is a blockade. Now I know that the minister has denied this but can we pursue this a little bit further? What do you say about that, border controls and blockades? Simply a system of semantics, would you say, a use of words?

[Van Heerden] It is certainly not a blockade. We are talking about stricter border control measures which were instituted by South Africa in the beginning of January for the very clearly stated reason of a need for tighter security on the border. We have had expanded negotiations with Lesotho about our concerns, our security concerns, about the ANC presence in Lesotho. We have not had satisfactory replies, notwithstanding constant efforts from our side to point out what our anxieties were, and this eventually led to stricter border control measures because the South African authorities argued that if we cannot cooperate and set up a joint meeting with them, with Lesotho, to impose stricter control to enable our security authorities to ensure that we know who comes in and goes out of the country and that we are able to investigate freight that leaves and comes into the country.

[Bishop] Government is satisfied that the ANC is still harbored by Lesotho.

[Van Heerden] There is no question about that. We have on several occasions in the past during talks also at ministerial level pointed out to the Lesotho authorities with exact details of the locations where ANC activities were going to Lesotho and expressed our concern about that. There were occasions where violence was committed in South Africa where we had reason to believe that this violence emanated from Lesotho, and I really don't have to refer

to press reports recently after the funerals of the people who were killed in Lesotho on the night of the 19th and 20th of January [as heard]. At the funeral in Maseru, which was widely reported in the Sunday papers in South Africa, there was a pervasive ANC presence with flags and reportedly more than 100 uniformed members of the ANC participating in Maseru at proceedings and it is quite clear from this and from other information we have from Lesotho that the ANC is widely present and tolerated and harbored in Lesotho.

[Bishop] Prof Barratt, I think I see flashing on the screen. You have a point to make?

[Barratt] Yes, I want to go back to the question of the so-called blockade. I think one has got to be quite frank about this. There may be security reasons for this, but it is a form of sanctions and I think one has got to be quite honest. ANC people are not likely to use the crossing point if... [changes thought] where everybody else goes in the roads in town, they are likely to cross at other points of the border and I think we are seeing here the effects of sanctions which the South African Government itself has consistently opposed because sanctions effect the people who are not responsible for the policy and we are seeing now the effect on the people of Lesotho who have nothing to do with the policy of the government or for that matter with the ANC. I think, quite frankly, it is a form of pressure that is being applied, and I think it is better to be frank about it and to come out front and say that one has to use this form of pressure for certain reasons.

[Bishop] Mr Van Heerden, the ball is now in your court.

[Van Heerden] Clearly the measures that have been instituted do present pressure, but sanctions would imply that there would be a complete stop of any traffic flow whereas the traffic flow has as a result of the need for more meticulous inspections at the border been slowed down, but traffic is moving and supplies are going through, food supplies, also fuel supplies, and others are going through but at a very much reduced rate. And I want to make it quite clear, the minister of foreign affairs has said himself that these measures are not aimed at the people of Lesotho. We have been very careful to ensure that all humanitarian cases, medical cases, are given preference at the border and are allowed to come through. You know that many Lesotho citizens make use of the medical facilities in Bloemfontein. These movements have not been affected but the slow down in traffic at the border and the resultant slow down in the movement of also supplies to Lesotho are to be traced back to our perceived need for greater security on the border between Lesotho and South Africa.

[Bishop] What about questions just posed by Prof Barratt that terrorists would hardly bring heavy equipment, ammunition, and so forth across conventional border posts?

[Van Heerden] That probably is true to a large extent, although with a vast volume of trucks moving across the border it is quite conceivable that explosives and other devices of violence could be transported along this route and with the vast volume of people moving across that border we find very recently that the South African border authorities keep a very strict control as much as that is possible, but of course I agree so much as that these measures will

not completely eliminate the possibility of people entering from Lesotho to commit acts of violence in South Africa.

[Bishop] Mr Van Heerden, tensions have to be reduced, don't they? What are the plans to do that?

[Van Heerden] We very much agree with that point of view and with that in mind we have over the past week been suggesting to Lesotho that we create a joint mechanism to discuss security matters on an ongoing basis. We do not have a mission or an embassy in Maseru and neither do they of course have representation in South Africa which is a severe drawback between the two neighboring countries.

[Bishop] Prof Barratt, your job is international relations. What do you see coming out of this now [words indistinct]?

[Barratt] Well, I don't think one can be a prophet in this way. I think it is a great pity, however, that at a time when we are looking into the possibilities of more stability within South Africa and, perhaps, a slight improvement in the economy that we had to have a conflictual situation on our borders and particularly one which creates a very bad image as it is. I am not trying to offer another way of dealing with this question. I realize the problems involved, but I would have thought that the Western powers, particularly the United States, should have been asked to play a role. I mean they are concerned with stability in this region, and this type of conflict, particularly when an immense big power is using such pressure on a small one--the image it creates of instability in the region and of a sort of overwhelming attempt to dominate on the part of South African Government itself, this is not healthy for the coming year, and I would hope that this commission or committee or subcommittee can get into position as soon as possible, but that also there is an attempt to bring into play some of the Western powers who have relations with both parties and who are concerned about the stability and the progress in this region.

[Bishop] Mr Van Heerden, a final word from you.

[Van Heerden] Yes, I would like to just point out that we have, since the beginning of this intensive exchange between us and Lesotho on security, we have in fact kept both the British and the American Government informed. We have given them the texts of our communications to Lesotho and we request specifically that they use their good offices to assist us to get on with [words indistinct] to Lesotho and to say that we must as neighbors find a way to live together in peace, and we suggest that we talk about these things. Now I am happy to say that as the minister of foreign affairs indicated yesterday, we have had a positive response from Lesotho, and we have suggested two dates in the very near future, in fact, within the next week when we would like to commence with these negotiations.

[Bishop] Mr Van Heerden, thank you very much and thank you Professors Barratt and Breytenbach. Thank you.

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SOUTH AFRICA

COMMENTARY ON WHITES' PERCEPTIONS OF BLACK COMMUNITY

Johannesburg THE STAR in English 24 Jan 86 p 12

[Article by Martin Spring]

[Text]

There is an ancient Indian parable about blind men who felt an elephant's leg, tail and ear respectively, and concluded that the objects they had touched were a log, a rope and a fan, respectively.

Conscious only of the part, they drew totally erroneous conclusions about the nature of the whole.

In South Africa today, the whites are like those blind men in their perceptions of what is happening in the black community.

This was brought home to me again with brutal force when a highly intelligent and articulate community leader from one of the Vaal Triangle townships came to see me last week.

"Whites have no conception of how terrible life has become for us," he said.

"The radical elements — UDF and Azapo — conduct a reign of terror and commit such unspeakable atrocities against anyone who opposes them that moderates have been struck dumb with fear.

Political

"To speak out against them, to refuse to participate in political action organised by them, especially to attempt to organise in any way to resist them, is to invite them to pour petrol over you, or your family, and leave you to die in agony.

"Even if the police and the security forces are present by day, radical terror rules by night.

"Contrary to what you hear, most blacks are relieved to have the security forces patrolling and bringing some peace into their lives during daylight hours. Yet even Afrikaner organisations like the AHI play the radicals' game by joining in cries for withdrawal of the security forces.

"We feel completely abandoned by the State, by the Afrikaner, by the English liberals, by all those who have a moral or political responsibility to stand by us."

I asked him why blacks did not form vigilante groups to resist radical terror, as would certainly happen in white communities if the authorities failed to maintain law and order.

He replied that vigilante groups were illegal, and the Government had made it plain that any such groups formed by blacks would be suppressed.

I asked him why black "children" (many of them adults, incidentally, as they are 18 or older) were beyond the control and restraining influence of their parents.

His reply was that several years ago the traditional vehicle used for exercising such control, the makgotla, was outlawed by the

Government and black parents warned that if they conducted such "courts" and applied corporal punishment, the victims would be able to sue them before the white courts for assault, and would win, their cases.

Surrogate

Another traditional means, especially important to single-parent households headed by a woman, was the use of the schoolteacher as a surrogate father to administer corporal punishment in case of bad behaviour reported by the parent.

A coalition of radical blacks, white liberals and bleeding-hearts in the State education authorities put a stop to that.

From this visit, and other information I have received from black friends, it is clear that the radicals not only dominate many of the townships, but they are steadily expanding their influence, especially into smaller communities outside districts covered by the state of emergency, and into rural areas such as Lebowa.

The State seems powerless to prevent this, to maintain law and order, or to protect its natural allies in the black community.

Most whites are unaware of what is happening because the media (including the Afrikaans media) depend almost exclusively on black journalists who are either UDF or Azapo supporters, or are too intimidated to write anything other than the radical line.

Nearly all the few white journalists who specialise in reporting on black events were drawn into doing so out of political sympathy for the views of radical groups like the ANC.

It is understandable if regrettable that in this age of advocacy journalism, they should largely tend to ignore unpleasant facts that contradict their beliefs or cast a bad light on the behaviour of their friends.

The tragedy of moderate blacks — and they must number many millions — is that they have no voice and few defenders.

Killing

The Afrikaner-dominated State, unconsciously racists, seems to assume that it is of little importance if blacks go on killing one another so long as the killing does not spill into white areas.

The Englikaner-dominated liberal establishment, preoccupied with its tribal jihad against the Afrikaner State, seems reluctant to admit to the ugly side of the radical forces it is trying to court into an anti-Afrikaner alliance.

Eight months ago I pointed out in this column that the wave of intimidation unleashed on black moderates was clearly following the pattern of Algeria, where French rule was destroyed not by attacking the French but by using terror to beat Arabs into zombie-like unity, so polarising the country that it became ungovernable.

The total failure of the State to act since then in any effective way to protect the lives, property and freedom of expression of black moderates, means that we have drifted further towards a revolutionary confrontation that would be disastrous for us all.

The Government must act now, even if this involves a switch to a more typically African legal system. And the Press must accept its moral responsibility to report fairly on what is happening in the townships.

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SOUTH AFRICA

UNIVERSITY OF CAPE TOWN CONTINUES STRUGGLE FOR ACADEMIC FREEDOM

Cape Town THE WEEKEND ARGUS in English 11 Jan 86 p 11

[Article by Dale Lautenbach]

[Text]

A PLAQUE in the Jagger Library foyer of the University of Cape Town carries a Latin inscription recording 1960 as the year academic freedom ceased at that institution. There is a blank left to be filled in with another date when freedom is restored.

Should it be filled in now, after the announcement this week that the Government has withdrawn a ruling requiring black students at "white universities" to apply for permits to study there?

"No," said Dr Stuart Saunders, UCT principal and vice-chancellor. "The university of course will have to decide on the matter, but it doesn't seem right to me for the university to believe it is free to pursue truth while the Government still has the power to ap-

ply a quota system, ban people, detain people without trial. Some of our students wrote exams in jail last year. Is that academic freedom?"

He welcomed the decision to scrap the permit system and "applauded the development" but pointed out that the quota system, which gives the minister the right to limit the number of any colour group attending a university, is still on the statute books.

"Freedom is indivisible and until South Africa is a free society, no institution within it can claim freedom. One of our previous vice-chancellors, Dr T B Davie, defined the four essential freedoms for a university as the right of the university to determine for itself on academic grounds who may teach, what may be taught, how it shall be taught and who may be admitted to study.

"Now that we have had restored to us our right to decide who may be admitted to study, on the face of it we have those four freedoms. But what the university will have to decide is whether these freedoms are fully available to it in contemporary South Africa."

Former UCT vice-chancellor and principal Sir Richard Luyt agreed with Dr Saunders that the missing date could not be inscribed on the plaque yet. Sir Richard added that until the entire South African system changed fundamentally freedom would be restricted not only by bannings and detentions, but by the entire educational system which fed students to universities.

Welcomed, but . . .

"While there is such unequal education and while you have black students hugely disadvantaged by that system before they even get to university, you don't have academic freedom."

Mr Glenn Goosen, '85-'86 UCT Students' Representative Council president, focused on exactly that too. "We welcome the removal of racial restrictions but we believe the action does not significantly alter the position of the universities.

"As a result of years of inferior education, most black students coming to university do not start on the same footing as their white colleagues. We believe no university can claim to be open in the face of discriminatory and unjust education."

UCT has a long history of opposition to the limits placed on its autonomy and academic freedom by the State. In 1957 the Extension of University Education Act began its passage through Parliament. It was legislation designed to create apartheid universities and opposition at UCT was fierce.

A march led by the chancellor in 1957, Dr A van de Sandt Centlivres, proceeded up Adlerley Street.

Dr Saunders pointed out the irony that "we may now choose whom to admit but the right to peaceful protest has been removed".

Professor David Welsh, head of South African Studies at the university now, was a student at the time of the march and remembers it as an impressive, solemn and dignified affair.

Library plaque

"The entire university community was at one on this issue. I've very seldom seen that sort of solidarity since. There wasn't just the one march. The protest was sustained over three years in different forms. I can remember standing for long hours outside Parliament brandishing a torch."

The library plaque was unveiled in 1960, the year after the passing of the legislation that created separate universities and the ruling that black students had to apply to the Minister for permission to attend "white universities" to study subjects not available at their "own" colleges.

A dedication was signed, too, and just eight years later another plaque was unveiled — by the present university chancellor Dr H F Oppenheimer — accompanied by a re-dedication.

The second plaque records 1968 as the year in which the institution's right to appoint teachers of its own choosing was restricted. There is a space too — still blank — to mark the date when that right is restored.

Sir Richard remembers the Mafeje affair, as it was called, well. It was in his first year of office that he and the department of anthropology appointed Archie Mafeje, a UCT graduate who was doing research at Cambridge at the time, to the post of senior lecturer.

"He was the strongest candidate and most qualified for the post. It didn't even occur to us to discuss that he happened to be black," said Sir Richard.

A letter from the then Minister of Education, Mr Jan de Klerk, "reminded" the university of its duty to "uphold South African traditions" and appealed to it to rescind its decision.

Challenged

"The UCT Council backed down because the State threatened to pass legislation giving it the right to veto any staff appointment," said Sir Richard and he recalls the mass meetings, the week-long sit-in which took place in the university Bremner Building.

"The restriction of academic freedom was something which cropped up regularly, something we challenged continually. Mixed social activity, especially dances, were a big issue and I decided that all students should get on with it and dance if they wanted too. There was the sports thing, too, and for three years we didn't have a rugby inter-varsity with Stel-

lenbosch because of the racial issue and UCT's philosophy."

Repulsive

In 1983 the 1959 Education Act was amended and the quota system was introduced. But it has not been used.

"I think the Government came to realise how repulsive a quota system based on race is for any university and has wisely decided not to apply it," said Dr Saunders. "They would be even wiser to repeal the legislation. For as long as it stands on the statute books it must be recognised in principle. Using it would do enormous damage to our universities in the world of international scholarship, recalling that the Stalin regime, and Hitler, imposed racial quota systems."

So the blank spaces remain on the plaques and academic freedom is an issue over which the fight continues within the context of a broader social struggle.

Professor Welsh, in a paper entitled *The University in Divided Societies* said: "Universities are nodal points in the society whose position reflects the structure of the social firmament in which they are encapsulated."

He urged academics and students to focus on the issues confronting South African society as a whole and cautioned: "South Africa's Owl of Minerva cannot be allowed to rise only at dusk."

"Yes, now is not the moment to celebrate the great return of academic freedom," said Sir Richard.

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SOUTH AFRICA

INDIAN PARTIES UNITE FOR BATTLE AGAINST APARTHEID

Johannesburg THE STAR in English 21 Jan 86 p 12

[Article by David Braun]

[Text]

The formation of a coalition between the two major parties in the House of Delegates last week was in marked contrast to the bitter rivalry and fighting between them during the first year or so of the new parliamentary system.

The ruling National Peoples' Party (which has 23 of the 45 seats in the Indian House of Parliament) and the Official Opposition Solidarity (18 seats) have agreed to "unite against apartheid" after protracted negotiations and a series of meetings.

In terms of the coalition the Ministers' Council, which presides like a Cabinet over the Indian own affairs administration, will be allocated proportionately (two seats for each party with the NPP retaining the chairmanship and representation in President Botha's general affairs Cabinet), and the parties will work in tandem in the various parliamentary committees where legislation is thrashed out and in the debates.

Composed

The arrangements effectively mean that Parliament now has two Houses which are composed of virtually one party.

The Labour Party in the House of Representatives, the coloured chamber, holds 81 of the 85 seats.

The development in the House of Delegates is intended to give impetus to what has been set as the priority for both the NPP and Solidarity — the swift removal of the remaining laws of apartheid.

"Until now we have been engaged in a lot of shadow boxing with each other," NPP leader and Ministers' Council chairman Mr Amichand Rajbansi said in a recent interview.

"We want to make our main function fighting apartheid, not each other."

This is a far cry from the last days of August 1984 when Solidarity and the NPP were at each other's throats after the first Indian parliamentary elections.

Neither could claim a parliamentary majority (NPP had 18 seats and Solidarity 17) and there was much wheeling and dealing to woo the independents and smaller parties, as well as MPs from each other.

"Carrots of up to R40 000 are being dangled by people who are not members of any political party," Mr Rajbansi said.

As the deadline for the State President to call upon the leader of the majority party to be chairman of the Ministers' Council and the country's first Indian Cabinet Minister drew near, the power struggle became frantic.

Portfolio

First Solidarity, then the NPP was said to have the edge. One MP claimed to have been offered the portfolio of education by both sides.

An attempt by Mr Rajbansi and Solidarity leader Mr J N Reddy to form a coalition came to naught.

Eventually, after much confusion and reports of defections back and forth, the NPP emerged with a slender overall majority to form the government in the House of Delegates.

When the new tricameral Parliament sat for its first working session in 1985, Solidarity appeared to be divided as to whether it should concentrate on attacking the NPP or the National Party Government.

It intended taking the NPP to task for having no coherent plan for the upliftment of the Indian community, while it said it would co-operate with any party on issues on which they had common ground.

But much of the session was taken up with sniping and allegations of corruption, fraud and cover-ups on the part of the NPP.

The former Minister of the Budget, Mr Boetie Abramjee,

particularly was singled out for the state of his own financial affairs.

Solidarity MP Mr Pat Poovalingham was ordered out of the House after refusing to apologise for accusing Mr Rajbansi of taking bribes, and at one stage all but two Solidarity MPs stormed out of the chamber because an NPP member was making his speech in Afrikaans.

Contribute

For all its bickering, the House of Delegates did contribute to the reform process last year, and there were a couple of occasions when it seemed as if this junior partner in the triracial system would precipitate the first constitutional deadlock.

On some issues the parties dug in their heels, such as refusing to legalise formal secret funds for the police and on the matter of equal pension increases for all races.

If the coalition succeeds, Solidarity and the NPP should be able to leave much of their petty rivalry behind, and get on with the business of eliminating apartheid.

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SOUTH AFRICA

COLOREDS TEST SINCERITY OF REFORM PLAN

Johannesburg THE CITIZEN in English 20 Jan 86 p 4

[Article by Brian Stuart]

[Text]

CAPE TOWN — The National Party still dominates Parliament and the Cabinet, in spite of its avowed policy of "power-sharing", says Mr Dennis de la Cruz, leader of the Opposition in the House of Representatives.

At the congress of the Democratic Workers' Party in Cape Town yesterday, Mr De la Cruz said the present system was still based on apartheid. His party would use the coming session of Parliament to test the government's sincerity about reform.

"The tricameral system has proved to be unsuccessful because the government is still dominated by the National Party, which controls most of the state departments, institutes of finance and local government," he said.

"The statement by the State President that the National Party does not stand for political domination of one group over another is a fallacy. The apartheid-based system comes from the drawing board of the white ruling class.

"The white Cabinet, with token representation of two ministers of colour, but without portfolio, is absolutely meaningless.

"And the existing apartheid laws, such as Group Areas Act, Separate Amenities Act and Population Registration Act, are racially-discriminatory laws which encroach on the human dignity which the National Party claims to uphold."

Mr De la Cruz said the government had failed to eliminate the root cause of suffering, oppression, pain, indignity and death in South Africa — "the evil system of segregation on grounds of colour".

The government had failed to reduce inflation, and instead unemployment had risen. A social crisis had brought about a political crisis, with violent social explosions that had reduced black-white relations to a new low.

He said the Democratic Workers' Party planned to become in 1986 not simply a voice of opposition in Parliament, but the voice of opposition to apartheid outside of Parliament.

"We, the DWP, invite any group, party or organisation opposed to this evil, ungodly, un-Christian, unacceptable system of apartheid to come and join us.

"Let us stand together in our fight for a free, democratic society. But, I add, the DWP is totally opposed to the use of violence and we will work on non-violent lines."

Mr De la Cruz also called for a single education system for South Africa, saying that only the National Party ideology of apartheid prevented the implementation of equal education for all South Africans.

In a sharp attack on the Labour Party majority in the House of Representatives, Mr De la Cruz said they had

become part of the NP-controlled system.

The Labour Party had reneged on its undertaking to enter the system in order to break down apartheid. It had even failed to register opposition to the government on vital issues affecting the people they claimed to represent.

"And we have not yet got to the heart of the problem. The government has still to convince us that it is tackling the fundamental issue of Black political rights."

In an address to the DWP congress, Mr Jannie Gagiano, lecturer in political science at Stellenbosch University, said a 1983 survey had shown that only 20 percent of the Coloured community was involved in "conventional politics" — the creation of political structures aimed at participation in Parliament.

This was reflected in polls as low as 4 percent at the election for the House of Representatives. The Labour Party was in control of the House with very little Coloured support. Its main function was to distribute whatever "largesse" the government gave it.

On the other hand, 55 percent of Coloured people supported peaceful protest as a political weapon. Whites were frightened by such political action, but not the Coloured population.

Mr Gagiano said the DWP could not beat the Labour Party at distributing the spoils of office. But as an opposition party it could reflect the broadest stream of Coloured political opinion.

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CSO: 3400/960

SOUTH AFRICA

ANC SEEN AS MAJOR FACTOR IN NATION'S DEALINGS WITH NEIGHBORS

Johannesburg THE STAR in English 23 Jan 86 p 10

[Article by John D'Oliveira]

[Text]

The military coup in Lesotho has heavily underlined the degree to which the African National Congress dominates regional relationships in Southern Africa.

Ever since uhuru spread to the subcontinent, South Africa's relations with its neighbours have been tempered by their attitude to the ANC (although in Angola's case, more by their attitude to Swapo).

In Mozambique, South Africa assisted the rebel Mozambique National Resistance movement in a successful attempt to force the Samora Machel Government into the Nkomati mutual non-aggression pact.

While South Africa agreed to cease all help to the MNR, Mozambique agreed to expel ANC activists and to prevent the ANC from ever again using Mozambique as a springboard for attacks on South Africa.

Following a series of accusations from Mozambique that South Africa was continuing its aid to the MNR (including the broadside from President Samora Machel at the weekend), the vaunted Nkomati Accord appears to exist in name only — and there are mutterings in Pretoria about a continued ANC presence in Maputo.

Had it not been for the prospect that the MPLA would help Swapo, South Africa would have been less eager to help Dr Jonas Savimbi's bid for power in Angola in 1975. And had the MPLA Government in Luanda not given massive facilities to Swapo, Dr Savimbi would have been much leaner militarily than he now is.

It is also possible that the Namibian issue may have been settled.

The Lusaka Agreement of 1984 laid down that Angola would keep Swapo out of a specified area in Southern Angola while the South Africans agreed to pull their troops out of the same area.

Ironically, despite all the propaganda from Angola, the Lusaka Agreement is more adhered to than breached.

South Africa has few problems with Swaziland, which does everything within its limited powers (as much for its own political purposes as for South Africa's) to keep ANC activists from using facilities in the country.

Crossed border

Botswana has claimed repeatedly that it does not allow the ANC to use its territory to plan or launch

attacks on South Africa, but the South African Defence Force, nevertheless, crossed the border on June 14 last year for a raid on Gaborone in which 2 people were killed and six were injured.

Tension between the two countries has flared over the last few weeks following the landmine explosions in the Northern Transvaal and Mr Pik Botha's warning that South Africa would exercise its right to take whatever action it deemed necessary to protect its citizens' lives and property.

The less than warm relationship with Zimbabwe also cooled dramatically over the same issue.

While both Botswana and Zimbabwe denied that they had encouraged the ANC or allowed the ANC to cross their territory to lay the mines in the Northern Transvaal, the South African Government remains suspicious — and, with every landmine explosion, it comes under increasing pressure to strike back.

The real problem, however, developed in Lesotho where Chief Leabua Jonathan's Government allegedly looked the other way while the ANC effectively transferred its main operations base against South Africa from Maputo to Maseru.

In December 1982 South Africa had sent its Defence Force into Maseru to clean out what South Africa believed to be an ANC stronghold. A total of 43 people were killed and a number injured.

Towards the end of 1985 South Africa was ready to act again.

When the Jonathan Government failed to "address South African concerns" over the ANC presence in

the country, South Africa intensified its security measures on the common border — and reduced the flow of goods into and out of Lesotho to a trickle.

And this triggered the military coup.

There have been reports over the past few days that ANC members have been leaving Lesotho for Zambia and Tanzania (many travelling via Maputo) and there are firm indications that the new government in Lesotho will do what it can to satisfy South African demands.

Whatever it does, it knows that its relationship with its powerful neighbour will be determined by its own relationship with the ANC.

Where does this leave the region?

Assess tactics

About the only certain fact is that if the Lesotho coup proves to be a setback, the ANC will regroup, reassess its tactics and then seek to intensify the "war" against the South African Government and its supporters.

As a formality, the ANC claims that its attacks come from within South Africa.

The South African Government says it assesses the situation differently and it has made clear that it will act against any country it believes offers an operations base to the ANC — or is less than vigilant about the ANC's use of its territory and its facilities.

So, any increase in ANC activity in South Africa will almost certainly lead to increased tension between South Africa and its neighbours — and the ANC knows this well.

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SOUTH AFRICA

PROFESSOR DISCUSSES PROBLEMS OF URBAN DEVELOPMENT

Cape Town CAPE TIMES in English 16 Jan 86 p 10

[Article by Professor Wolfgang H. Thomas]

[T.xt]

MUCH of the reason for the widespread disillusionment with South Africa's reform programmes may be sought in the gap between reform promises and eventual action.

This applies to the political arena as much as to the economic and social spheres, including housing and the development of new residential areas and townships.

With the political watershed year of 1985 behind us and the Western Cape searching for a "local option" strategy towards racial reconciliation, the envisaged development of the new town of Blue Downs at the eastern edge of the greater Cape Town metropolis opens up opportunities for genuine reform.

The 4 000 ha lower Kuils River area, to the east of D F Malan Airport, between Khayelitsha in the south and Belhar in the north, was initially to be developed by the Cape Town City Council for low-income coloured housing.

Opposition from different areas led to the transfer of responsibility for this development to Mr David Curry's department in the House of Representatives.

During the past six months a technical committee responsible to this department prepared a structure plan for the development of a "town" of about 200 000 coloured people.

In the meantime several private developers expressed keen interest in developing parts of the area, aiming at middle-to-higher income home buyers.

While planning is still at a relatively early stage — the structure plan has not yet been approved by the province — it is obvious from past experience and from some of the recommendations in the revised plan that we may be heading for another conventional "coloured township" unless dramatic reform action is built into this project.

To get clarity about the new approach let us look at some recent failures.

Artificially

□ The sprawling "town" of Mitchells Plain was developed by the Cape Town City Council against its will and with a complete lack of balance with respect to employment and housing in the area. It has also been planned in a regulated and rigid manner, with roads dominating urban life.

□ Atlantis, once planned for 750 000 people, has been developed artificially and against the will of the people concerned. Local employment opportunities are insufficient, the "town" itself supplies few jobs and it is unlikely to attract activities other than the heavily subsidized industries. With

pressure against expensive decentralization subsidies, Atlantis faces stagnation.

□ Khayelitsha, earmarked for up to 400 000 people, seems little more than a vast dormitory for Africans, with standards reduced as construction costs increase.

In contrast to these large developments some smaller schemes, like Belhar, Klein-vei, Eerste River, Montana or Macassar, may seem more successful but that only applies to the residential developments. None of them developed a greater urban significance or was able to attract more than the minimum suburban commercial facilities.

At the same time coloured and black Capetonians continued to flock — often considerable distances — to existing or new shopping centres and administrative and industrial centres in the CBD and along the Main Road and Voortrekker Road in "white" areas.

This imbalance is likely to increase unless fundamental adjustments get under way. Current estimates of the expansions at Macassar, Khayelitsha, Mitchells Plain, Blue Downs and Belhar suggest a population of more than one million along the south-eastern periphery of greater Cape Town by the early years of the next century.

Another dimension should not be ignored. Atlantis, Mitchells Plain and Khayelitsha are racially exclusive townships, with the socio-political conflict resulting from such exclusivity already apparent during recent months.

While one may hope that moves to get racially "grey areas" accepted will soon receive wider support (whereas the "opening by stealth" of upper-income suburbs will gradually increase) it is time that an attempt is made in the Western Cape to develop a racially open area. If this is not possible under the authority of

an apartheid critic like David Curry and in the light of the shock waves of 1985, the future looks bleak.

The conclusions from the above are both obvious and compelling. The envisaged new large development in the lower Kuils River area should be a dramatic break with the past, constituting the economic base for a south-eastern development mode and somewhat balancing the counterweight of Cape Town's CBD almost 30 km away.

To attract developers for more than a few spec-housing projects and some shopping complexes a totally new image has to be created for Blue Downs. The image should centre on three key aspects:

□ Racial openness of the residential, commercial and industrial parts;

□ Job creation as the primary development force; and

□ Dynamic forward planning by a local urban development corporation.

Such an approach implies that the Blue Downs area should not be developed as stepchild of any municipality or council — or, what is worse, the combination of several — but as the only project of a specifically established Blue Downs Development Corporation.

This could be the forerunner of a future multiracial municipality of Blue Downs, to which other adjoining suburbs like Kleinvei or Eerste River might incorporate.

It would follow logically that such a (non-profit) corporation would vigorously attempt to attract new industries, service and administrative establishments and other investors into the area, thereby creating local employment, boosting the local tax base and creating a growth momentum as happened in other (white) towns within greater Cape Town.

Dynamic

Included in such employment intensive projects should

be administrative facilities for the million people in the south-eastern axis of Cape Town, major insurance and banking developments, a medical centre, new types of techno-industries, industries related to the vast construction sector linked to the residential developments in this area and other appropriate industries.

To attract such ventures requires a dynamic PR and marketing approach of the new "town", something never contemplated in the old-style "townships".

Unless Blue Downs is multi-racial from the start, incorporating the African township of Mfuleni (as an upgraded and expanded suburb) and purporting to be more than just another self-contained dormitory township, such larger developments will never get off the ground. Mere lip service will be paid to job creation, shopping centres will be limited to "local needs" and the bulk of the 200 000-odd people accommodated in the area will again commute to far away parts of greater Cape Town.

What is required is imagination, courage to break with the patterns of the recent past and some drive to manage the complexities of urban development in an innovative way.

This has been proven feasible elsewhere in the world and in South Africa — so why should it not be feasible here?

One can think of many obstacles, including the selfishness of other, existing local authorities in the vicinity, but the challenge is large enough to make an attempt.

Foreign investment, in fact, seems to be available for a part of such a new type of urban development and local institutional investors may respond positively to such a different approach.

Can the courage be mustered? What is more, could the multiracial character of such urban development not help to get the "Cape option" off the ground?

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SOUTH AFRICA

AECI'S NEW EXPLOSIVES FACTORY OPENED

Johannesburg THE CITIZEN in English 11 Jan 86 p 7

[Text]

AECI's new R25-million explosives factory at Bethal, which form part of the company's R100-million decentralisation programme, was opened yesterday by the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel.

Built on a 1 600 ha site, the factory will manufacture a range of high technology Energex water gel explosives for the coal-mining industry in the area and will also be a distribution centre.

The manufacturing op-

eration will enable the company to produce some 600 000 cases of Energex a year and the site is large enough to meet projected explosives expansion.

All explosives products required in this area were previously supplied by the Modderfontein factory.

The factory is the beginning of phase two of the company's decentralisation programme and similar units are to be constructed at Klerksdorp, Welkom and Utrecht.

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SOUTH AFRICA

SCANDINAVIA BANS COUNTRY'S SCIENTISTS, BUSINESSMEN FROM VISITING

Oslo AFTENPOSTEN in Norwegian 22 Jan 86 p 3

[Article by Alf Seeland: "South African Science and Business Prohibited Entry"]

[Text] Scientists and business people are the new group of South Africans who will be denied entry to the Nordic countries. The Nordic governments recently reached agreement on this. Earlier measures provided that visas were denied to South African arrangers of sporting and cultural events. Tourists, journalists and diplomatic and consular officials will continue to be allowed entry.

AFTENPOSTEN was informed regarding these main categories orally in the Foreign Ministry. The written regulations have still not been publicly announced in the Nordic countries. This [new] provision contains exceptions for both scientists and business people. The former may enter when there is a need for wide scientific cooperation, while business people will not get visas unless they are coming for conferences or conventions and are involved in advancing trade.

Also those in charge of arranging activities on behalf of intergovernmental organizations, where the principle of universality applies, may be allowed to bring in South African citizens. This applies, for example, to UNESCO meetings which are arranged in Nordic countries. It was also revealed by the Foreign Ministry that those resisting apartheid will receive visas to Norway and the other Nordic countries. The same applies to persons who can make claim to humanitarian or other important reasons.

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SOUTH AFRICA

FCI CHARTER AIMS TO GAIN WIDESPREAD SUPPORT

Johannesburg THE STAR in English 23 Jan 86 p 11

[Text]

The charter released this week by the Federated Chamber of Industries (FCI) was designed to promote "understanding and action" in two crucial areas of the reform process in South Africa.

According to the FCI, the two areas at issue are:

- An urgent need for a wider and better understanding of, and appreciation for, what the Government has already done on the reform front.
- A similar need for a new rallying point for significant Government and private sector initiatives.

The ultimate objective would be to get credible — and visible — negotiation about South Africa's constitutional future off the ground.

To this end the FCI has produced its charter which it hopes will gain widespread recognition and support and thus help to achieve "real" constitutional development.

The charter is divided into four main sections dealing with:

- Social and cultural rights and principles.
- Economic rights and principles.
- Political rights and principles.
- Personal and public responsibilities.

SOCIAL AND CULTURAL

This five-point section is based on the premise that all human beings are born free and equal in dignity and rights.

It states further that individual rights to family and private life, freedom of thought, conscience and religion, the right to education opportunities and philosophical convictions cannot be alienated.

People belonging to ethnic, religious or linguistic minorities shall not be denied the right to enjoy their own culture, religion or language.

Under economic rights and principles the charter deals with the development, to a point of total equality for all, of property rights; freedom to seek employment and earn just reward; freedom of movement, and business rights.

There must be no restrictions on property rights and no one shall be deprived of his property without due process of law.

Further, everyone must have the right freely to employ labour or to manage a business wherever they wish.

There must be no restrictions on freedom of movement or residence anywhere within the borders of the State and all should have the freedom to leave the country and, if having the right of permanent residence, to return.

After due regard to the rights of minorities, the will of the people shall be the basis of the Government's authority. This shall be expressed by way of periodic and genuine elections which shall be by universal suffrage.

In addition the charter provides for all South Africans to have the right to:

- Freedom of association and peaceful assembly.
- South African citizenship for all those born in South Africa, the national or independent states or naturalised by law.
- Take part in public affairs, directly or through freely chosen representatives.
- Freedom of opinion and the expression of that opinion without interference.
- Equal access to public service.
- All the institutions of democratic government.

The charter states that freedom of the Press, the formation of all political parties and the supremacy of the judicial system shall be the foundations of South African statehood. The State shall not be above the law.

According to the charter, everyone is entitled to all the rights and freedoms identified in the charter. This would be without distinction of any kind, such as race, colour, language, sex, religion, political or other opinion, ethnic or social origin, age, property, birth or economic or other status.

Everyone's exercise of his rights and freedoms shall be subject to such limitations as are determined by law solely for the purpose of securing respect for the rights and freedoms of others.

In times of public emergency the State may take such measures to the extent strictly required to meet the exigencies of the situation, provided:

- All such measures are consistent with the laws which provide for such emergency powers.
- Obligations under international law are fully met.
- They do not involve unlawful discrimination.

Plans for Charter's Implementation

To propagate and implement the charter, the FCI plans to:

● Urge all members of industry, commerce and business generally to adhere to the rights and principles set out in the charter.

● Influence Government and all political parties and groups to abide by the rights and principles of the charter and, in this respect, assume an active role in scrutinising all discriminatory laws, measures and practices.

● Work towards ending turmoil, unrest and conditions of emergency.

● Strive for the release of political prisoners as defined in the context of the charter.

● Explore means of and supporting social, economic and political debate and constitutional negotiation towards the realisation of the rights and principles set out in the charter.

● Support education and training programmes as well as social and welfare schemes.

● Undertake measures to abolish racial discrimination and injustice within business organisations.

● Launch programmes for better public understanding of human rights and freedoms.

● Aim at peace and stability in the Southern Africa region.

● Seek international understanding and co-operation.

Urban Foundation Acclaims Principles

The charter issued by the Federated Chamber of Industries (FCI) represented an excellent statement of the basic values and rights which would characterise a democratic South Africa, Dr Robin Lee, managing director of the Urban Foundation, said yesterday.

He was commenting on the FCI Business Charter which was made public on Tuesday.

"The Urban Foundation's own goals indicate a commitment to bringing about a society in which the freedom and dignity of the individual are fully respected and we can ac-

cordingly give our full support to the sentiments expressed in the charter," Dr Lee said.

PRINCIPLE

The decision by business and organised employer bodies such as the FCI to take a stand at this moment in South African history was appropriate.

"South Africa urgently requires clear thinking and vision, on a basis of principle, as to the shape and nature of the society of the future.

"In our opinion the formation of a coalition of interests with

the common goal of promoting sensible urbanisation and removing influx control remains a model for the manner in which the other goals articulated by the FCI might be achieved in practice.

"For, despite the clear articulation of goals, the FCI statement, understandably, stops short of describing strategies to achieve positive reform towards these goals."

Dr Lee said viable strategies for moving from the present to future goals were a priority. Most South Africans would support such a movement.

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SOUTH AFRICA

EDITOR DISCUSSES GROWING OPINION OF ECONOMIC UPSWING

Johannesburg BUSINESS DAY in English 17 Jan 86 p 6

[Article by John Tilston]

[Text]

THERE IS a growing body of opinion, some of it very reputable, which holds that the economic upswing has started. This spreading confidence in the economy is a very welcome and necessary part of the upswing, but it must be tempered with realism lest we fall further than we have so far gingerly risen.

A number of economic indicators are suddenly looking very positive and add weight to those few that have been favourable for some time. The rand is at last strengthening, gold is on the move and there has been enough rain to offer hope of a successful agricultural season.

Other variables — such as declining short-term interest rates, a very healthy surplus on the current account of the balance of payments and money supply firmly under control — suggest that the SA economy could be on the mend.

In addition, foreign debt mediator Fritz Leutwiler has been making statements in the last few days which indicate a short-term solution to the debt crisis is possible.

Judging by recent performances of the stock market, there is a measure of confidence in the economy's ability to turn around in the short-term and for SA companies to return to profitability.

Few of these positive factors have yet to be felt by businessmen (except, of course, miners and exporters) and consumers.

As Standard Bank economists recently put it: "In many businessmen's opinions, the emergence of recovery trends still exists in the minds of economists and politicians." Indeed, these positive factors are so fragile that they need to be treated with great circumspection.

A spread of the political foot-in-the-mouth disease common in SA and/or a significantly stronger dollar, or a collapse in the gold price, could destroy any hope of the upturn. Little further rain would also harm prospects.

There are also other, more tangible, dangers in the wings. SA's gold and foreign exchange reserves are dangerously low — at a third of the level they were at in 1980 — and insufficient to support

the rand should there be a collapse in confidence or a determined run against it.

Some analysts believe the authorities have such a tight grip on the currency that a decline is now unlikely. But the newly-found control has still only been in position for three weeks or so.

Gold has yet to show that its recent rally can be sustained. It has failed to respond to many of the stimuli that have triggered an upward spiral in the past. Analysts hope that the recent surge may at worst establish a new lower resistance level.

Inflation is now at record levels, and debate on whether it reaches 20% is largely dominated by statistical matters. Increases in the early months of 1985 were so great as to reduce the year-on-year measurement of increases in the first half of 1986.

No one is now forecasting a significant reduction in the real rate of inflation this year. Unemployment will remain high. Companies that have learnt to manage on leaner staff compliments will not easily hire more workers, especially when the duration of this upswing is uncertain.

Gross domestic expenditure, now in the doldrums, will be slow to recover. High unemployment, lower disposable incomes — as a

result of salary increases at less than the rate of inflation — and fiscal drag will mitigate against significant real increases.

Companies will be reluctant to spend more, concentrating rather on rebuilding their capital bases.

The optimism in financial circles that a short-term resolution to the foreign debt crisis could also ironically dampen growth prospects. Leutwiler believes the SA economy is basically sound, though he is worried about the rate of inflation. He believes that there will be a healthy surplus on the current account of the balance of payments this year.

He is also on record as saying that — only half in jest — the task of a mediator is to make both parties equally unhappy. Given this view, it is possible that the terms he settles for will include significant repayment of capital and higher interest payments after March 31, when the standstill expires.

This would eat into the trade surplus and mean that some resources that would otherwise be used to generate growth will have to be used to repay debt.

For this reason, Barclays economist Cees Bruggermans hopes "SA will succeed in minimising the net annual reduction of its foreign debt". But even with minimal debt repayment, he sees problems ahead.

Foreign debt increased by 30% between mid-1981 and late last year, but real GDP did not grow at all. "The need for foreign borrowing, and the consequent external constraint on real GDP growth, is very much a reflection of an extremely poor export performance."

Even with the positive forces outstaying the negative ones, we cannot expect strong growth from this infant upswing. International growth will be sluggish and provide little scope for increases in exports of primary commodities.

And while there may have been an upsurge in confidence in prospects for the near future, very few people are talking about the medium-term in positive terms. If there is to be hope for the future economic well-being of this part of the world, fixed investment must be dragged out of its five-year decline.

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SOUTH AFRICA

GROWING ROLE OF PLATINUM IN ECONOMY DISCUSSED

Johannesburg THE STAR in English 11 Jan 86 p 8

[Article by Michael Chester]

[Text]

The labour rumpus (which crippled production at the Impala mine complex outside Rustenburg) has cast new light on the growing role of platinum in the vast armoury of precious metals which underpin the South African economy.

The spectacular leap in the world price of the metal — now even more expensive than gold at around US\$350 or R875 an oz — in turn accelerated the investor rush into platinum shares.

Investors at home and abroad, always on the look-out to make a fast buck out of bad as well as good news, were holding thumbs that a disruption in deliveries from South Africa would add impetus to the platinum price spiral under the simple laws of balance between supply and demand.

What makes the supply route to international buyers so crucial is South Africa's domination of world platinum markets.

Four decades ago, when Canada and the Soviet Union ruled the roost, South Africa held less than 20 percent of the overall world supply of 310 000 oz a year.

At the latest count made by the multi-national Johnson Matthey bullion dealers and refiners, the annual production of platinum was running at 2.75 million oz — almost a nine-fold increase — and the South African share had soared to 84 percent of the global total.

On the basis of a market price of US\$350 an oz, that means platinum is now bringing more than R2 billion into South Africa a year.

Moreover, the entire SA operation is packed into a relatively tiny stretch of the bushveld which starts around Rustenburg, goes across to Lydenburg, and spreads north to Potgietersrus and beyond.

The two giants are Rustenburg Platinum Mines, controlled by Johannesburg Consolidated Investment, and Impala, run by the Gencor group. Precise production figures are rarely published, but it is believed that each one produces about 1 million oz of the metal a year.

In the long term, the potential of the bushveld complex is astounding.

Researchers at Johnson Matthey estimate that the platinum

reserves there amount to no less than 930 million oz — 94 percent of all the known reserves on earth — within a depth of a kilometre or so.

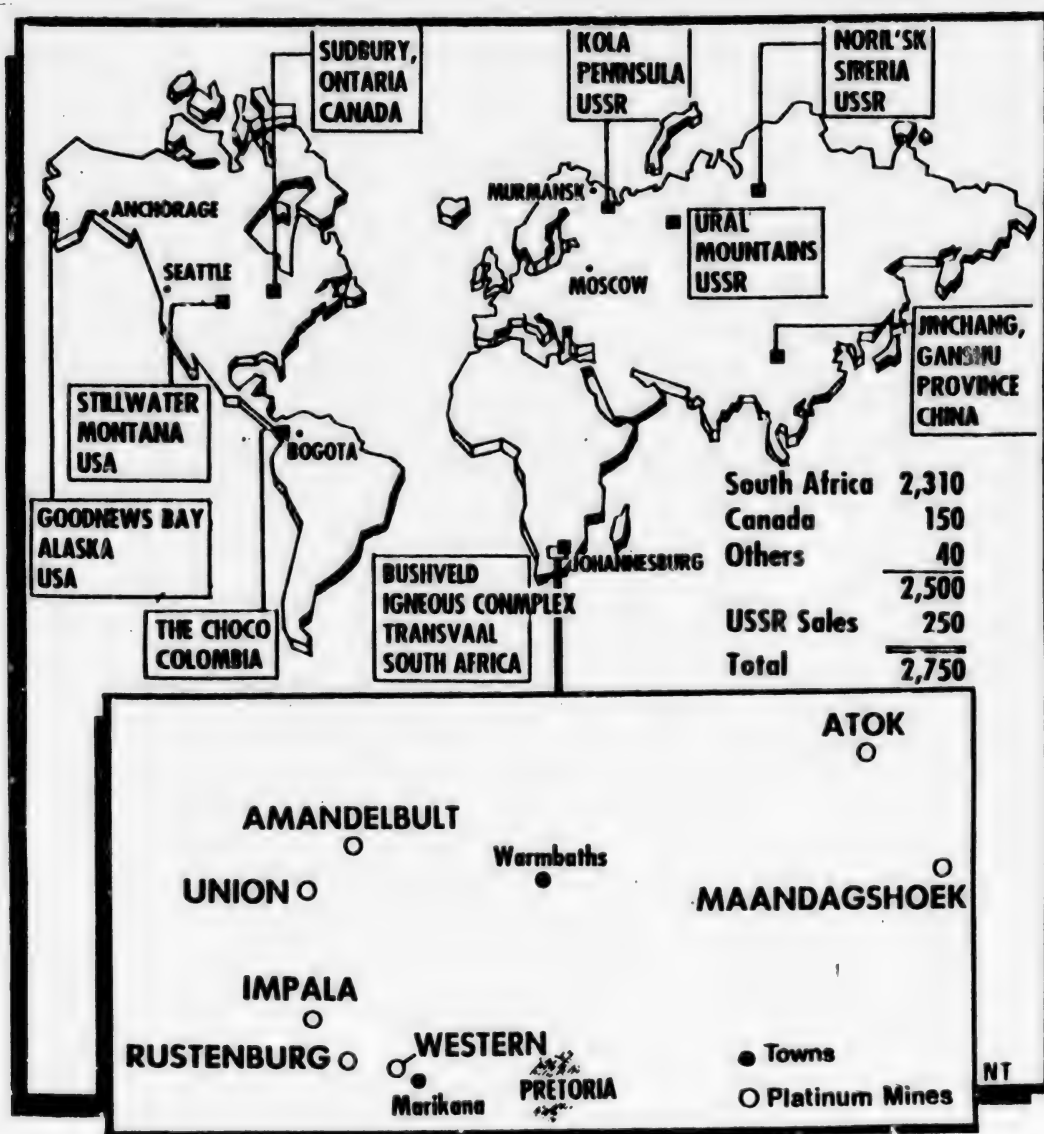
That, using today's market prices and exchange rates, is worth a mind-boggling R815 billion.

Not surprisingly for so scarce and so costly a metal, the biggest consumer of platinum is the jewellery trade. But it is in higher technology that the metal has scored its biggest successes in recent years.

Ten years ago, jewellery accounted for nearly 50 percent of an annual global demand that had swelled to 2.5 million oz. By 1984, the proportion going to jewellers had slipped to less than 30 percent — the bulk going to Japan, now by far the largest single market and where platinum has rocketed to the throne as the *ichiban* (No 1) slot among precious metals.

The new gluttons are the overseas motor industries, where platinum has proved to be the key element in new exhaust devices capable of meeting the stringent anti-pollution laws multiplying around the world.

SOURCES OF PLATINUM GROUP METALS



Car exhaust emissions have been controlled by law in the United States and Japan since the late 1960s and autocatalysts relying on platinum group metals were first introduced in 1974.

The two huge motor producers are now consuming platinum at a rate calculated at 690 000 oz a year. The US alone had packed more than 3 million oz of the metal into passenger cars and trucks by 1984.

Yet that may be only the start. A 1985 review of platinum prepared by Johnson Matthey reports that similar anti-pollution laws are due to be enforced in Australia in 1986, in South Korea inside the next two years, and in the 12-nation European Economic Community (EEC), starting in 1988.

And it is not only the international motor industries which are discovering the unique properties of platinum in cracking

hi-tech puzzles. World-wide chemical and electronics companies have also found the metal to be vital to modern processes.

Platinum is also now in wide use in oil refineries, as an active agent in upgrading the octane level of petroleum; among dentists, who use it as a hardener for gold alloys in crowns and bridges; by fertiliser manufacturers, who set it to work in the production of nitric acid. It even helps in making glass and glass fibres.

Peering into the future, Johnson Matthey finds the potential new uses of platinum to be virtually boundless.

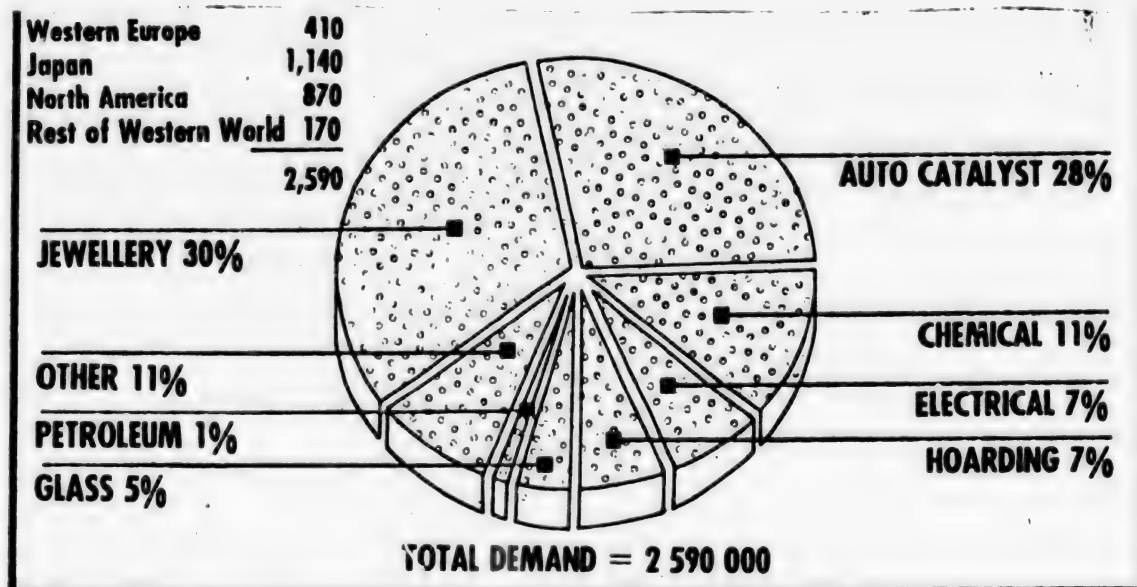
Researchers are at work looking for new ways to exploit the success of platinum in cancer chemo-therapy.

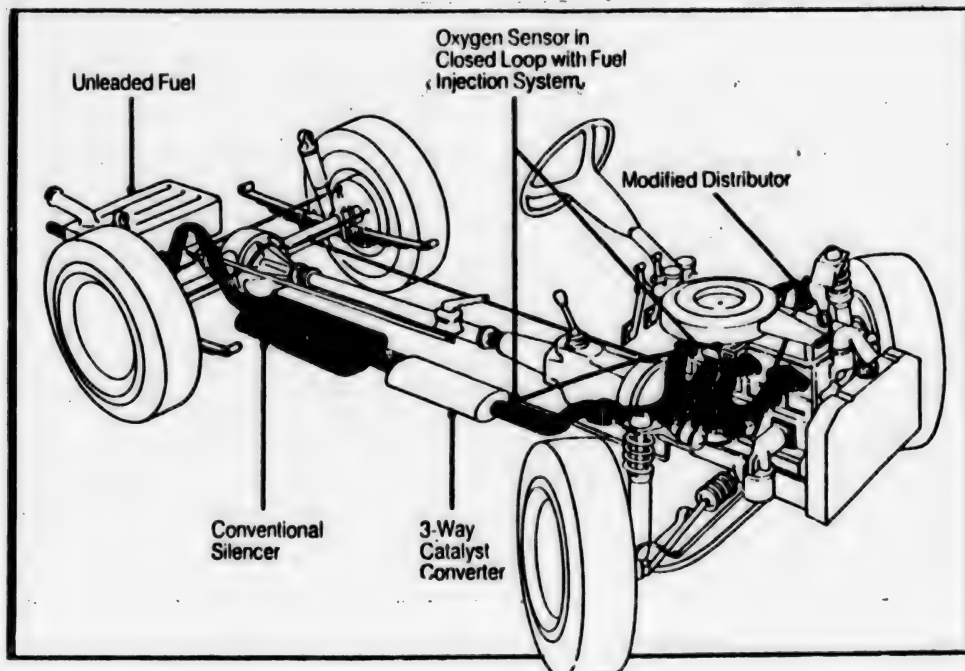
In the field of solar energy, complex platinum compounds may be used as catalysts in the conversion of water — under irradiation by sunlight — into hydrogen and oxygen, which many regard as the main pollution-free fuel of the future.

Boffins are also experimenting with platinum as a catalyst inside combustion chambers of car engines where it can aid ignition and simultaneously achieve clean exhaust and low fuel consumption.

"The horizons are constantly extending for the platinum group metals," says a Johnson Matthey researcher. "There is much we do not yet know about how, why and where these remarkable and versatile metals will be used in the future."

PLATINUM DEMAND IN THE WESTERN WORLD





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NEW SHAFT AT WDL GOLD MINE NEARING COMPLETION

Johannesburg THE CITIZEN in English 10 Jan 86 p 8

[Excerpt]

A NEW R1-billion shaft at Western Deep Levels gold mine is nearing completion, and will eventually yield 400 000 tons per month.

However when mining first begins at No 1 Shaft, scheduled for May 1, management hope to achieve a production build up to 60 000 tons per month milled by the end of 1986.

This tonnage will rapidly increase as the shaft moves towards full production of 160 000 tons per month by the end of 1988. The excess shaft capacity will be used for the hoisting of sub-shaft sinking and development rock.

The last shaft-sinking blast operations were carried out recently to sink the service shaft to its depth of 2 328 metres. The main shaft has already been completed to a depth of 2 374 metres and both shafts are in the process of being equipped.

Operations are underway to install the shafts with brattice walls. This allows the shafts to be used as both service and ventilation shafts while at the same time as access for men and materials.

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CSO: 3400/975

SOUTH AFRICA

SAMCOR CLOSES SIERRA PLANT

Johannesburg THE CITIZEN in English 17 Jan 86 p 9

[Text]

PORT ELIZABETH. — Samcor is to close its Ford Sierra Struandale plant in Port Elizabeth.

Citing the depressed state of the economy — particularly the automotive sector — the company said it would transfer the assembly of the Sierra range from Struandale to Silverton, Pretoria.

Mr S L Sterling, group managing director of Samcor, said the move would result in the Struandale plant being closed in the second half of 1986, although it would not affect the Samcor engine plant, also located in Struandale.

"Whilst we had not planned this action at the time Samcor was organised and we deeply regret having to take it, the directors have no choice but to adapt to the continuing depressed state for the automotive industry and reduced prospects for an upturn in the short to

medium term," Mr Sterling said in a statement.

"We also must adjust to severe cost pressure resulting from the dramatic decline in the value of the rand against the currencies of our overseas trading partners."

The action announced yesterday would "consolidate all Samcor vehicle production at the Silverton assembly plant and provide maximum benefit from the rationalisation of Samcor's resources through increased economy of scale and greater productivity."

About 950 hourly and salaried employees would be affected by the closing of the Struandale plant, Mr Sterling added.

"We will work closely with our employees, the unions and community organisations in Port Elizabeth in order to safeguard the interests of these employees to the maximum extent possible," he said. — Sapa.

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SOUTH AFRICA

CITY RAIL REVAMP TO HALT UNTIL FUNDS RECEIVED

Johannesburg THE STAR in English 21 Jan 86 p 7

[Article by Zenaide Vendeiro]

[Text]

The South African Transport Services (SATS) is to halt work on the R350 million overhaul of part of the Johannesburg rail system until it receives finance for the project from outside bodies.

This decision is in line with SATS's policy of not providing uneconomic passenger services unless it has the capital, according to Mr Roelof du Plooy, senior planning engineer.

SATS is looking to the Treasury, the Department of Transport and bodies such as the Johannesburg City Council and the Regional Services Council to pay for the massive improvements to the railway line east and west of Johannesburg station.

The overhaul is aimed at increasing capacity to accommodate the 135 000 commuters expected in peak hours in the year 2000. The present level is 60 000 passengers in peak hours, mostly from Soweto.

"We are talking about a 7 km stretch, which will make it the most expensive line in South Africa," said Mr du Plooy.

Two projects which are going ahead are the R21 million line to the new Crown Mines showgrounds and the R315 million line to Khayelitsha.

The Treasury will provide funds for the 3,6 km Crown Mines line, which links the showgrounds with the railway between Crown and New Canada stations, rolling stock and funds to cover operating losses.

Work on the line is expected to begin later this year and will take between 15 and 18 months to complete.

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SOUTH AFRICA

MOSSEL BAY GAS DEPOSITS MAY LAST 30 YEARS

Johannesburg THE CITIZEN in English 14 Jan 86 p 9

[Article by Andrew Thomson]

[Text]

THE Mossel Bay gas reserves, once deemed sufficient for 15 to 20 years, are now considered to be large enough to last from 25 to 30 years.

A Soekor spokesman said yesterday that the company's exploration programme was ongoing, and it was logical that the reserves would expand as new discoveries were made.

The spokesman said it was not Soekor's policy to reveal gas reserves in terms of cubic feet. Earlier Soekor's chairman Dr Nico Stutterheim declined to confirm or deny a report by a Cape Town business publication that the Mossel Bay reserves now stood at about 1,95 trillion cubic feet compared to the 1,2 trillion cubic feet confirmed by Soekor early last year.

The Cape Town publication estimated that the Mossel Bay project could soon be supplying South Africa with 20 percent of its liquid fuel needs, or about 25 000 barrels a day. The report said the reserves could ultimately match those of the Maui reserves in New Zealand, which stand at about six trillion cubic feet.

When the State President, Mr P W Botha, announced late last year that the Mossel Bay reserves were to be exploited, he said the project would create about 20 000 jobs and cost in the region of R3 500 million. The overall economic stimulation along the entire south western Cape coast has yet to be seen but forecasts are that it will be considerable.

Converters to change the gas to liquid fuel will be operational only by

1990, and the first batch of petrol will be available only a year later. Because of the expense involved in exploiting the reserves, the Mossel Bay fields will probably remain profitable only while the rand is down against major world currencies. The low rand has made oil imports so much more expensive.

Soekor's exploration is continuing not only off Mossel Bay, but also off Plettenberg Bay, where reserves of about 0,5 trillion cubic feet have already been discovered.

At the time of the first discovery off Mossel Bay in 1980 it was announced that a reserve of a trillion cubic feet was needed before exploitation would be economically viable. A reserve of this size was estimated sufficient to provide 20 000 barrels of liquid fuel for a period of 20 years.

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SOUTH AFRICA

BRIEFS

NORWAY BANS FRUIT IMPORTS--The Government has decided that from 27 January it will order a halt to importing of fresh and processed fruits and vegetables from South Africa. The Trade Ministry announced in a press release that imports from South Africa dropped from 360 million kroner to around 250 million kroner in the eleven first months of 1985. This is a decrease of 31 percent, in comparison to the same period in 1984. The decrease was especially strong for canned and fresh fruits and vegetables, where imports dropped from 23 to 43 million kroner respectively, to 4.6 and 10 million kroner. [Text] [Oslo AFTENPOSTEN in Norwegian 21 Jan 86 p 4] /9317

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